



Form 10-70-2
(2/58)

RECURRING VISITS TO CERTIFIED PROPERTIES

Group Name Koley Black - Parcel 3

Certification No. C - 424

Location: Apache Arizona
County State

District: Shiprock

Date of Visit 10/21/58

Examining Engineer R.K. Nestler - A.J. Speal

Balance from Last IB Sheet: Paid out ~~9/26/~~ 9/56 - Final visit.

Remarks: (Should include anything of interest about the property covering briefly such things as changes in ownership, present production, etc.)

No activity; no equipment present; no sign of any recent activity. No ore apparent; company not expected to resume operations here.

Have you seen anything to lead you to suspect fraudulent collection of bonus:

Yes X No

If the answer is yes - explain.

Distribution:

Development Section
Branch Offices

C-424 Kerr Ma

Engineer: Presley

Visited: 9/14/55

Two active mines were on this property ~~at this property~~ at the time of visit. One, at the head of the canyon between Flag & Bar Rock Mesas is an incline cleverly sunk in the intersection of two dry steam beds. August rains washed the mine working full of mud to the foot of the incline. At time of visit 4 miners were reopening, mining 4 - 6' of mud. Ore is 4' - 6' thick, is hand mucked into cars, hand trammed to foot of incline & hoisted to top of a 20 ton steel on bin on the surface. A 210 Dyroflo compressor, an airleg, and a tired Wisconsin hoist comprise the equipment.

The "Main" Flag Mesa Mine is an adit operation where 7 miners and a foreman produce 700 ton/month of 0.257% ore. The adit is driven at ore level, hence runs nearly level for 550' then branches and inclines several times. Main drift has a 16' incline up which ore cars are raised with a tugger hoist. The operation is mostly wheelbarrow and shovel. At one point a slusher & ramp is in operation. In places the bottom is being taken up as up to 3' of ore is underfoot.

C-424 Parcel No. 3, Koley Black

Visited: 4/12/56

Engineers: Taylor, Hansen

Production totaling more than eligible balance has been made prior to time of visit, which was made in connection with an application for a split in this certification. Workings on the property appear to be more than adequate to account for eligible bonus ore. No irregularities noted with respect to bonus payments. Last bonus ore produced in April, 1955.

Don R. Hill, Chief, Development Section
Mining Division, GJ

September 16, 1955

J. F. Brown, Mining Engineer
Mining Division, GJ

AMENDMENT OF CERTIFICATION OF PARCEL NO. 3 - KOLEY BLACK
LEASE 8667 (C-424) TO INCLUDE PARCELS 2 - HENRY PHILLIPS
PERMIT NO. 93 AND PARCELS 1 AND 2 - KOLEY BLACK PERMIT NO.
239, SHIPROCK MINING DISTRICT, LUKACHUKAI MOUNTAINS LOCALITY,
APACHE COUNTY, ARIZONA. (APPLICATION NO. 948)

Symbol: MD:JFB

Parcels 2 - Henry Phillips Permit No. 93 and Parcels 1 and 2,
Koley Black Permit No. 239, together with Parcel 3 - Koley
Black Lease 8667, are a group of contiguous tracts located
on the Navajo Indian Reservation, Shiprock District, Lukachukai
Mountains locality, Apache County, Arizona. The tracts
appear to lie in approximate unsurveyed sections 20, 21, 28,
29, 30, 32 and 33, T.36 N., R.29 E., G. & S.R. B&M. The property
as amended would include 780 acres.

Parcel No. 3 - Koley Black Lease No. 8667 was certified in
April 1954, as eligible to receive bonus payments on 10,000
pounds of U₃O₈. On September 1, 1955, a balance of 6019.81
pounds of U₃O₈ remained.

The Finance Division reports that there is no record of pro-
duction from Parcels 2 - Henry Phillips Permit No. 93 and
Parcels 1 and 2 - Koley Black Permit No. 239 during the
critical period.

Ore has been sold from Parcel No. 2 - Henry Phillips Permit
No. 93. No mines are currently operating on the tract. Ore
is being mined and shipped at the present time from Parcel
No. 3 - Koley Black Lease No. 8667.

It is recommended that certification of Parcel No. 3, Koley
Black Lease No. 8667, (C-424), be amended to include Parcels 2 -
Henry Phillips Permit No. 93 and Parcels 1 and 2 - Koley Black
Permit No. 239.

Introduction

An Application for Certification of Parcel No. 2, Navajo
Tribal Mining Permit No. 93, was received on October 21,
1954, from M. F. Bolton, Manager, Mining and Exploration,
Navajo Uranium Division, Kerr-McGee Oil Industries, Inc.

OFFICE ▶	MD	MD	MD	MD
SURNAME ▶	J. F. Brown	Taylor	Hill	Toole
DATE ▶	9/15/55	9-20-55	9/22/55	9/22/55

September 16, 1955

P. O. Box 608, Shiprock, New Mexico.

The property was examined on December 9, 1954, in the company of Mr. John F. Shive, an engineer for the Navajo Uranium Division. Mr. Don Hill, Chief, Development Section, Mining Division, GJ, was also present. The tract applied for, and adjacent Kerr-McGee holdings in the Lukachukai Mountains were generally examined on July 22, 23, 1955. Mr. Charles K. Presley, Mining Engineer, Mining Division, GJ, was present.

The Navajo Uranium Division of Kerr-McGee Oil Industries is the principal uranium producer in the Shiprock District. Records at the Window Rock Office, Bureau of Indian Affairs, indicate that the company holds at least 2965 acres under Navajo Tribal Leases or Assignment of Tribal Mining Permits in the Lukachukai Mountains. The company also operates the uranium mill at Shiprock, New Mexico.

Certification C-424 includes a 320 acre tract known formerly as Parcel No. 3, Koley Black Lease No. 8667. The tract appears to have been divided since certification on April 19, 1954, into Parcels 3 and 4, Koley Black Lease 8667. A request for a split of the 320 acre tract into two parcels for the purpose of certification was requested by Mr. Bolton. After an investigation of the merits of a split, Mr. Bolton's request was denied on November 18, 1954. Parcel No. 3 (now Parcels 3 and 4) of Koley Black Lease No. 8667 was certified for 10,000 pounds of U_3O_8 . As of September 1, 1955, a balance of 6019.81 pounds remained.

Status of the Land

Parcels 2 - Henry Phillips Permit No. 93, Parcels 1 and 2 - Koley Black Lease No. 8667, appear to be located in approximate unsurveyed sections 20, 21, 28, 29, 30, 32 and 33, T.36 N., R.29 E., G.&S.R. BGM, Shiprock Mining District, Lukachukai Mountains locality, Apache County, Arizona.

The lands recommended for addition to the certified tract lie in all of the above sections except section 32. These lands were open to acquirement of mining rights under the Regulations of the Navajo Indian Reservation as evidenced by issuance of the following Navajo Tribal Mining Permits:

1. Henry Phillips Permit No. 93, approved on December 10, 1953.
2. Koley Black Permit No. 239, approved on December 27, 1954.

Further, these permits are currently in good standing.

The property can be reached by traveling south from Shiprock, New Mexico, on U.S. Highway 666 for 6 miles; thence west to Cove School, Arizona, on graveled road for 35 miles; thence, southwest on graveled and dirt roads to Flag Mesa.

The property was surveyed by company engineers and a map thereof bearing the date July 30, 1954, was submitted. Ties were made to U.S. Coast and Geodetic Triangulation Stations and the AEC Triangulation network. The AEC coordinate system was used to permit direct correlation of AEC drill data with private drilling and mining.

Parcels were marked at corners by painted iron poles. The tracts appeared to be located on the ground as indicated on the map and described in approved Tribal Mining Permits or Assignments thereof.

Ownership

Navajo Tribal Mining Permit No. 93 was granted to Henry Phillips. The permit was approved on December 10, 1953, and is effective for a full period of two years subject under certain conditions to cancellation. In an Assignment of Mining Permit made on November 11, 1953, Henry Phillips and Emaree Phillips conveyed full and entire interest in Mining Permit No. 93 to Kerr-McGee Oil Industries, Inc. The Assignment was approved by the Window Rock Area Office on February 16, 1954.

Navajo Tribal Mining Permit No. 239 was granted to Koley Black. The permit was approved on December 27, 1954, and is effective for a full period of two years subject under certain conditions to cancellation. In an Assignment of Mining Permit made on October 5, 1954, Koley Black and Fay Black conveyed full and entire interest in Mining Permit No. 239 to Kerr-McGee Oil Industries, Inc. The Assignment was approved by the Window Rock Area Office on February 23, 1955.

Initial production began on Parcel 3 - Koley Black Lease 8667 in April 1953. Following is a chronological listing of acquirement of mining rights on the various tracts of the group.

Dec. 20, 1949	-	Tribal Lease 8667	granted to Koley Black
Dec. 20, 1949	-	" " "	assigned to F. A. Sitton
Nov. 30, 1950	-	" " "	reassigned to F. A. Sitton, Inc.
Aug. 22, 1951	-	" " "	assigned to Navajo Uranium Company
May 1952 (Approx)	-	" " "	acquired by Kerr-McGee Oil Ind., Inc.
Dec. 10, 1953	-	Permit No. 93	granted to Henry Phillips
Feb. 16, 1954	-	" " "	assigned to Kerr-McGee Oil Ind., Inc.
Dec. 27, 1954	-	Permit No. 239	granted to Koley Black
Feb. 23, 1955	-	" " "	assigned to Kerr McGee Oil Ind., Inc.

Thus, at the time of initial production from the property, Kerr-McGee Oil Industries, Inc. held only Parcel No. 3 - Koley Black Lease No. 8667 in the group under consideration in this report. The other tracts in this group do not appear to have existed at the time, but were granted to Navajo Indians and acquired by Kerr-McGee Oil Industries, Inc. at later dates.

The applicant has the right to apply for certification as assignee of mining rights under the Regulations of the Navajo Indian Reservation.

No conflicts were noted.

The following properties are adjacent.

1. Parcels 1 and 2 - Tommy James Permit No. 109
Assignee: Unknown
2. Parcels 2 and 3 - Edward W. McCabe Permit No.
Assignee: None
3. Parcels 1 and 2 - Tom Joe Permit No. 84
Assignee: None
4. Parcels 3, 4 and 5 - Henry Phillips Permit No. 93
Assignee: Kerr-McGee Oil Industries, Inc.
5. Parcels 1, 2, 3, 4, 5 - David Phillips Permit No. 21
Assignee: Kerr-McGee Oil Industries, Inc.

Production

Mine on Parcel No. 2 - Henry Phillips Permit No. 93, the tract applied for, is not currently operating and appears to be worked out. About 800 tons per month are being produced from Parcel 3, Koley Black Lease No. 8667. There appears to be enough ore developed in the vicinity of Flag Mesa for one year's operation.

Mining is accomplished by adit or incline in the Salt Wash rim. Deposits appear to be mined progressively around the rim with equipment and miners being transferred to new operations as old ones are mined out. Equipment in each operation appears to be limited to a 125 c.f.m. compressor, jackhammers and jackleg, mine cars and track and where convenient, an orebin. A small gasoline-driven hoist is used to pull loaded cars up incline on Koley Black Lease. Navajo miners appear to be generally employed although some of the mining may have been done by contract miners on a split check basis.

The Finance Division reports that there is no record of production from the tracts affected during the critical period.

If recommendation is approved, the tracts affected are eligible for bonus payments under the provision for 10,000 pounds of U_3O_8 in certification of Koley Black Lease 8667, Parcel 3, (C-424), by virtue of inclusion therein.

Ore Reserve Data

1. Formation - Salt Wash
2. Metallurgical Type - #15 (Carnotite, High Vanadium, Intermediate Lime)
3. Availability
Mining B Metallurgy A Access A

4. Discovery
 Source AEC Method drilling
 Delineation or Development
 Source private Method drilling
5. Average drilling depth - 150 - 200
6. Ore Reserves

	<u>Tons</u>	<u>Thickness</u>	<u>Percent</u>		
			<u>U₃O₈</u>	<u>V₂O₅</u>	<u>CaCO₃</u>
Indicated	10,000	4'	0.25	0.8	9
Inferred	5,000	4'	0.25	0.8	9
Total	15,000	4'	0.25	0.8	9
Potential					

Recommendations

It is recommended that Parcels 2 and 3 - Henry Phillips Permit No. 93, Parcels 1 and 2 - Koley Black Permit No. 239 be added to and included in Certification of Parcel No. 3 - Koley Black Lease 8667 and thus be eligible for bonus payments under the 10,000 pounds of U₃O₈ provided for in that certification.

This recommendation is made because in the opinion of the engineer the property is a contiguous group of tracts on which lawful possession of mining rights are held by one organization, and further, the group of tracts comprise a single operational unit.

The description of tracts to be included in certification C-424 as currently approved by the Window Rock Office, Bureau of Indian Affairs, are as follows:

Henry Phillips - Mining Permit No. 93 - Parcel No. 2

Beginning at triangulation point Flag, a U.S.AEC Station, whose coordinates are N 98,384.21 E 196,012.29, which is also the Southwest corner Koley Black's lease Flag Mesa, parcel No. 3; thence N 34° 29' 56" E 4144.0' along the west boundary of Koley Black's parcel 3, Flag Mesa Lease and Koley Black's permit on upper Flag and Bare Rock Mesas to corner No. 1, a 2" iron pipe driven in the ground, whose coordinates are N 101,799.40 E 198,359.49; whence Luka, a U.S.G.S. triangulation station bears S 83° 45' 00" E 14,879.0'; thence S 79° 44' 00" W 4346.0' to corner No. 2, a 2" iron pipe driven in the ground whose coordinates are N 101,024.41 E 194,082.01, which is also corner No. 5 of Henry Phillips' parcel No. 3; thence S 36° 45' 00" W 2455.0' to corner No. 3, whose coordinates are N 99,057.31 E 192,613.78; thence S 06° 30' 00" E 1070.0' to triangulation point Step and corner No. 4, whose coordinates are N 97,994.19 E 192,734.90; thence N 06° 30' 00" E 1220.0' to corner No. 5 whose coordinates are

N 99,206.35 E 192,873.00; thence S 69° 00' 00" E 1040.0' to corner No. 6 whose coordinates are N 98,833.65 E 193,843.92; thence N 27° 45' 00" E 1065.0' to corner No. 7; thence S 53° 15' 00" E 985.0' to corner No. 8 whose coordinates are N 99,186.81 E 195,129.02; thence N 17° 30' 00" E 1960.0' to corner No. 9 whose coordinates are N 101,056.10 E 195,718.41; thence S 46° 30' 11" E 400.0' to corner No. 10 whose coordinates are N 100,780.76 E 196,008.56; thence S 09° 15' 00" E 885.0' to corner No. 11 whose coordinates are N 99,907.26 E 196,150.81; thence N 63° 00' 00" E 945.0' to corner No. 12; thence S 24° 00' 00" W 240.0' to corner No. 13; thence S 41° 30' 00" W 930.0' to corner No. 14 whose coordinates are N 99,420.50 E 196,278.95; thence S 19° 00' 00" W 810.0' to corner No. 15; thence S 00° 37' 00" W 270.0' to triangulation point Flag and point of beginning, containing 160.0 acres located in Apache County, Arizona. All bearings, distances, and coordinates are based on U.S. AEC data as established by U.S. Geologic Survey.

Koley Black Permit No. 239 - Parcel No. 1

Beginning at corner No. 1, a 2" iron pipe driven in the ground whose coordinates are N 96,661.07 E 201,823.51 which is also corner No. 3, parcel No. 4 David Phillips mining permit No. 21; whence Luka, a U.S.G.S. triangulation station bears N 72° 44' 59" E 11,859.50'; thence N 33° 59' 00" W 6196.0' to corner No. 2, a 2" iron pipe driven in the ground whose coordinates are N 101,799.40 E 198,359.49 which is also corners No. 1, parcels 2-3 & 4 Henry Phillips mining permit No. 93; thence S 34° 39' 56" W 2274.0' to corner No. 3, a 2" iron pipe driven in the ground whose coordinates are N 99,925.33 E 197,071.48 which is also corner No. 3, parcel No. 3 Koley Black lease No. 8667 Flag Mesa; thence S 55° 31' 00" W 5765.0' to corner No. 1 and point of beginning containing 147.38 acres located in Apache County, Arizona; All bearings, distances, and coordinates are based on U.S. A.E.C. data as established by U.S. Coast and Geodetic Survey.

Koley Black Permit No. 239 - Parcel No. 2

Begining at corner No. 1, a 2" iron pipe driven in the ground whose coordinates are N 96,661.07 E 201,823.51; whence Luka, a U.S.G.S. triangulation station bears N 72° 44' 59" E 11,859.50; thence N 55° 31' 00" W 5765.0' to corner No. 2, a 2" iron pipe driven in the ground whose coordinates are N 99,925.33 E 197,071.48 which is also corner No. 3, parcel No. 3 Koley Black Lease No. 8667, Flag Mesa; thence S 33° 38' 00" E 6108.0' to corner No. 3, a 2" iron pipe driven in the ground whose coordinates are N 94,840.30 E 200,454.37 which is also common with corner No. 2, parcel No. 4, Koley Black Lease No. 8667; thence N 36° 56' 00" E 2279.0' to corner No. 1 and point of beginning containing 154.73 acres located in Apache County, Arizona. All bearings, distances, and coordinates are based on U.S..A.E.C. data as established by U.S. Coast and Geodetic Survey.

Following is a discussion of the various factors affecting the dispositions of the individual tracts included in the recommendation and other tracts which are adjacent or contiguous:

Parcel 3 (Parcels 3 & 4) - Koley Black Lease 8667:

1. Tract is held by Kerr-McGee Oil Industries, Inc. under Assignment of Lease. Window Rock Office records indicate that the company has a 75% interest in lease.
2. The company held mining rights at time of production and has been the approved holder of mining rights since that time.
3. The property was certified for 10,000 pounds of U_3O_8 in response to an application by Kerr-McGee Oil Industries, Inc. Bonus was paid to the company on 3980.19 pounds of U_3O_8 as of September 1, 1955.

Parcel 2 - Henry Phillips Permit No. 93:

1. Tract is held by Kerr-McGee Oil Industries, Inc., by Assignment of Mining Permit. Assignment conveys and transfers full and entire interest in permit to company.
2. Records indicate that company held mining rights at time of initial production on tract about December 1953 and has held the mining rights on tract since that time.
3. The tract is contiguous or adjacent to Parcels 3 (Parcels 3 & 4) - Koley Black Lease 8667, which, as noted above is certified. Mining operations thereon are a normal expansion of operations on the certified tract. Mining in this area on the southwest flank of the mountains is accomplished by adit or incline in the Salt Wash rim. Most of this production to date has come from Parcel No. 3 - Koley Black Lease. Production from Parcel No. 2 - Henry Phillips Permit No. 93 comes from a mine on the east edge of the tract with workings connected with other workings on adjacent certified tract. Mining can be progressively carried to separate ore bodies along the Salt Wash rim.
4. The tracts are traversed by access and drill roads largely constructed by the Atomic Energy Commission as a part of their exploration activities in the Lukachukai Area.
5. Although the Indians who were originally granted mining rights are different, the tracts are held in common by Kerr-McGee Oil Ind., Inc. as assignee of mining rights. There is no record that the Indians worked the tracts independently or contributed to their development. The Indian shares in the bonus and other proceeds only to a small extent. Separate certification of tracts held by different Indians and assigned to a common operator would generally increase bonus payments without advancing the purpose of the bonus program.

6. By virtue of common ownership and operation, Parcel No. 2 - Henry Phillips Permit No. 93 is recommended for inclusion in certification of Parcel 3 (Parcels 3 & 4) - Koley Black Lease 8667.

Parcels 1 and 2 - Koley Black Permit No. 239:

1. Tracts are held by Kerr-McGee Oil Industries, Inc. by Assignment of Mining Permit. The Assignment conveys and transfers full and entire interest in permit.
2. These tracts are contiguous or adjacent to Parcel 3 (Parcels 3 & 4) Koley Black Lease No. 8667, which, as noted previously has been certified
3. No ore has been shipped from these tracts nor are operations known to be currently conducted thereon. Tracts are a normal expansion of the certified property. Access and drill roads traverse the area and general access is essentially the same.
4. Tracts are held in common with certified tract by same Indian and same Assignee of mining rights.
5. Parcels 1 & 2 - Koley Black Permit No. 239 are recommended for inclusion in certification of Parcel 3 (Parcels 3 & 4) - Koley Black Lease 8667 as a normal expansion of the certified property, commonly owned.

Parcel No. 3 - Henry Phillips Permit No. 93

Parcels 2,3,4,5 - David Phillips Permit No.21

1. These tracts are held by Kerr-McGee Oil Industries, Inc., under Assignment of Tribal Mining Permits. They are contiguous with or adjacent to the property under consideration in this report.
2. The tracts cover an area in which little development work has been done, terrain is generally high and rugged, Salt Wash is deeply buried, and little is known about ore potential. Development of ore on these tracts and nature of any future mining operations is largely a question mark. Place or places from which operations would progress and expand are not generally determinate.
3. These tracts are thus excluded from the recommendation made in this report.

Parcels Nos. 4 & 5 - Henry Phillips Permit Nos. 93

Parcel No. 1 - Dan Phillips Permit No. 21

Parcels No. 1,2,3, - Dan Phillips Permit No. 150

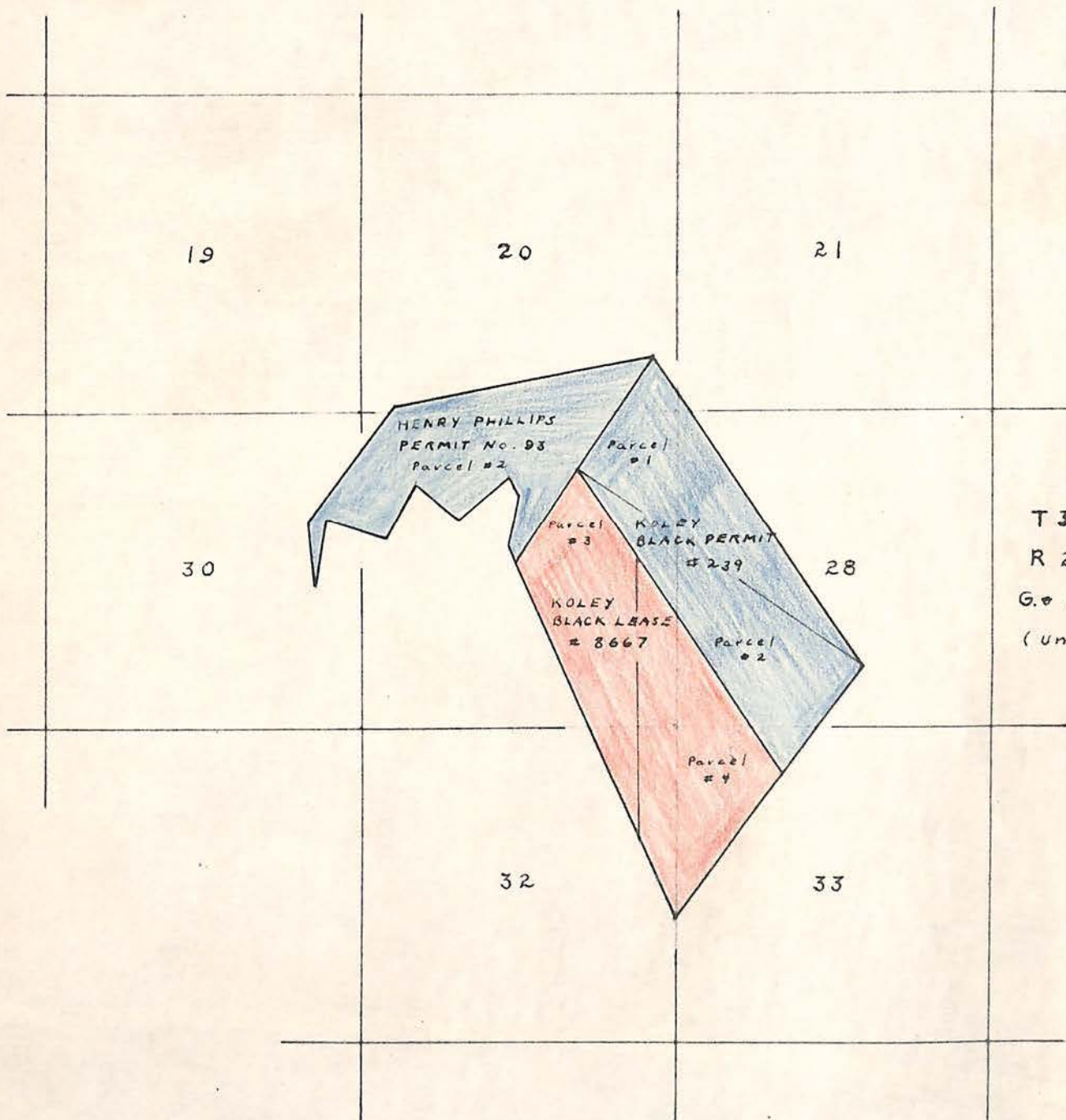
1. These tracts are held by Assignments of Tribal Mining Permits.
2. The tracts are located on the north flank of the mountains. Mining operations here are separated from the operations on the south flank by one to two miles of rugged terrain, and operations in each area progress from widely separated initial operations. Work done on these tracts make little contribution to the work done on the south flanks of the mountains.
3. These tracts are not considered as part of the property covered by this report.

cc: E.R.Gordon, EE
I. M. Gay, Grants, N.M.

BY J.F.B. DATE 9/13/65
CHKD. BY DATE

SUBJECT Amendment of Certification
of Parcel 2, Koley Black Lease #
8667, Apache County, Arizona

SHEET NO. OF
JOB NO.



CERTIFIED (C-424)

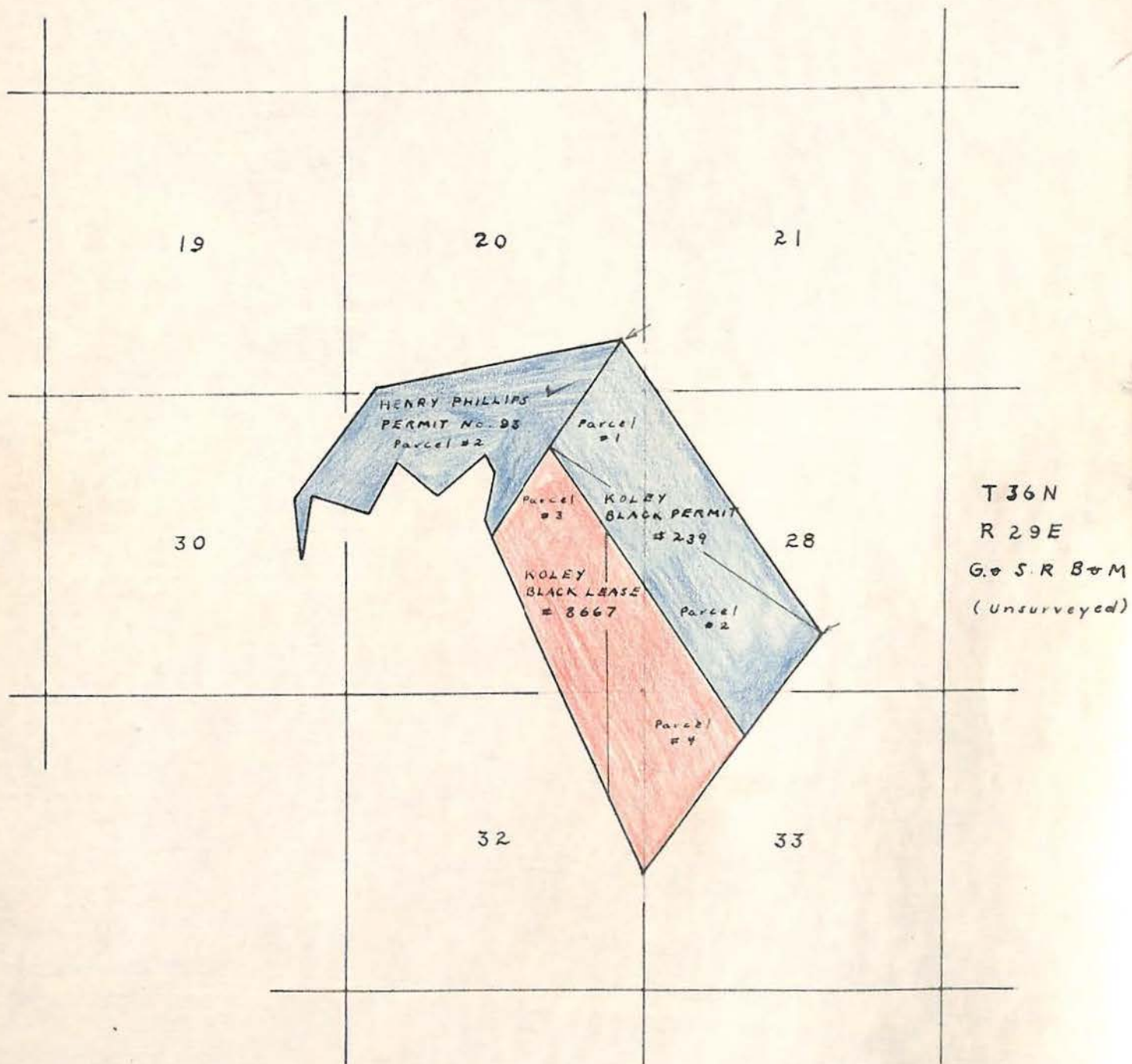


INCLUSION RECOMMENDED

BY J.F.B. DATE 9/13/05
CHKD. BY DATE

SUBJECT Amendment of Certification
of Parcel 2, Koley Black Lease #
8667, Apache County, Arizona

SHEET NO. OF
JOB NO.



CERTIFIED (C-424)



INCLUSION RECOMMENDED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
WINDOW ROCK AREA OFFICE
WINDOW ROCK, ARIZONA

MP-45

Permit No. 93

MINING PERMIT--NAVAJO TRIBAL LANDS

Pursuant to authority granted by the Advisory Committee of the Navajo Tribal Council by Resolution No. ACS-80-51 dated September 19, 1951, as amended by Resolution ACF-4-52 dated February 12, 1952 and ACM-5-52 dated March 11, 1952, permission is hereby granted to:

Henry Phillips, c/o Navajo Uranium Company, Cortez, Colorado

Census No. 73932, a Navajo Indian, ~~of~~ _____
_____, to prospect for, mine and remove minerals
from tribal lands of the Navajo Indian Reservation, in the County of
Apache, State of Arizona
and described as follows:

See attached sheet for description of claim. This is a renewal of
previously expired mining permit.

for the full term of two years from date of approval hereof, for the sole
purpose of prospecting for and mining of minerals as follows:

Uranium Bearing Ores

The Permittee to occupy so much of the surface of said land as may be
reasonably necessary to carry on the work of prospecting for, mining,
storing, and removing such minerals, and to construct such access roads as
are necessary in proper development of the property.

PROVIDED, however, that any Navajo who conducts development operations
under a permit may at his option apply for a lease before the expiration of
the two year period, or at the expiration of the two year period he may
apply for an extension of his permit for an additional two year term, and
the Advisory Committee may approve any such application if in its opinion
the applicant has worked and is continuing to work in good faith in the
development of the mining operation.

1. In consideration of the foregoing, the Permittee hereby agrees:

- (a) Royalties: The royalties payable to the Navajo Tribe
on all permits and leases issued under the provisions
hereof shall be as follows:

Percentage Royalty Schedule

<u>Mine Value For Dry Ton</u>	<u>Royalty Percentage of Mine Value Per Dry Ton</u>
\$ 0.01 to \$ 10.01	10%
\$ 10.01 to \$ 20.01	11%
\$ 20.01 to \$ 30.01	12%
\$ 30.01 to \$ 40.01	13%
\$ 40.01 to \$ 50.01	14%
\$ 50.01 to \$ 60.01	15%
\$ 60.01 to \$ 70.01	16%
\$ 70.01 to \$ 80.01	17%
\$ 80.01 to \$ 90.01	18%
\$ 90.01 to \$100.01	19%
\$100.01 or more.	20%

"MINE VALUE PER DRY TON", wherever used herein is hereby defined as the dollar value per dry ton of crude ores at the mine as paid for by the Atomic Energy Commission or other government authorized agency before allowance for transportation and development; however, if the government at any time hereafter does not establish and pay for said ores on a fixed or scheduled dollar value per dry ton of crude ores at the mine, or said ores contain salable minerals, some, or all, of which are disposed of to a custom treatment plant or smelter for treatment and sale, then mine value per dry ton shall be the gross value per dry ton of said crude ore as paid for by the Atomic Energy Commission or other Government authorized agency mill or other buyer, less any allowances or reimbursements for the following specific items: (1) transportation of ores; (2) allowances for exploration for, or development of ores; and (3) treatment or beneficiation of ores; which specific items shall in such event be deducted from the gross sales price received from the metal content of said ores by the seller before said percentage royalty is calculated and paid. Such payments shall be made on or before the fifteenth (15th) day of the month next following receipt by Lessee of payment for said ores together with a statement of the mine value of said ores and the amount of royalty due on each lot shipped and sold.

Whenever minerals or other products are recovered which are not included in determining mine value per dry ton as defined herein there shall be paid to the Tribe for such minerals or other products, a royalty of ten (10) per cent of the gross value of such products.

BONUSES: There shall be paid, as additional royalty, 10% of any bonus paid by the United States Atomic Energy Commission for the production of ore and particularly, bonuses for the initial production of uranium ore from said lease. This provision shall not be limited to bonuses for initial production but shall apply to any and all bonuses paid for the production of ore.

PAYMENT OF ROYALTIES: Remittances for tribal royalties are to be made payable to the Treasurer of the United States and mailed to Window Rock, Arizona, for deposit to Navajo Tribal Funds.

(b) DILIGENCE, PREVENTION OF WASTE. To exercise diligence in the conduct of prospecting and mining operations; to carry on development and operations in a workmanlike manner and to the fullest possible extent; to commit no waste on the said land and to suffer none to be committed upon the portion in his occupancy; to comply with all the requirements of the

Description for Henry Phillips Mining Permit:

Beginning at the southeast corner of Dan Phillips's lease No. 8666, commonly known as Mesa No. 4; South 3 deg. East 300 ft. to a point; thence N. 52 deg. 30' East 3900 ft.; thence S. 86 deg. East 360 ft.; thence S. 14 deg. East 680 ft.; thence S. 41 deg. 45' West 2240 ft.; thence S. 30 deg. East 320 ft.; thence N. 55 deg. East 2035 ft. to a point on part of Dan Phillips' lease No. 8666, commonly known as Mesa No. 2 $\frac{1}{2}$; thence S. 35 Deg. 30' West along the line of said Mesa No. 2, 3,800 ft. to the most southwesterly corner of said lease; thence S. 11 deg. 30' West 920 ft. to a point, being the most northwesterly corner of Koley Black's 320 acre mining permit; thence S. 36 deg. W. 1835 ft. to a point (this point bears approx. S. 83 deg. East 2400 ft. to USGS triangulation station center point); thence S. 36 deg. W. 2640 ft. along the west line of Koley Black's mining permit and Koley Black's 320 acre lease No. 8667 to a point on ore rim approx. 500 ft. past southwest corner of Koley Black's lease No. 8667, sometimes shown on AEC map as Flag Mesa, but described on our map on file with Dept. of Interior as Mesa No. 3, thence N. 24 deg. East 1970 ft.; thence S. 58 deg. 30' West 1060 ft.; thence N. 4 deg. 30' W. 1000 ft.; thence S. 20 deg. W. 1250 ft.; thence S. 40 deg. W. 550 ft.; thence N. 21 deg. W. 1110 ft.; thence S. 32 Deg. W. 1710 ft.; thence N. 57 deg. 30' W. 550 ft.; thence S. 89 deg. W. 400 ft.; thence S. 6 deg. E. 450 ft.; thence S. 82 deg. W. 710 ft.; thence N. 6 deg. 30' W. 1070 ft.; thence North 36 deg. 45' E. 7725 ft. to point of beginning, and containing 589 acres, more or less, Apache County, Arizona.

laws of the State in which the land is located; to take appropriate steps for the preservation of the property and the health and safety of workmen; promptly to surrender and return the premises upon the termination of this permit to whomsoever shall be lawfully entitled thereto, in as good condition as received, excepting for the ordinary wear and tear and unavoidable accidents in their proper use; all buildings and improvements shall remain the property of the permittee and may be removed at any time prior to 60 days after the termination of the permit by forfeiture or otherwise, provided, the payments agreed upon by this permit have been made and the permit terms and regulations applicable thereto have been fully complied with, but not otherwise; not to permit any nuisance to be maintained on the premises under permittee's control, nor allow intoxicating liquors to be sold or given away for any purpose on such premises; and not to use such premises for any other purposes than those authorized in this permit.

(c) DEVELOPMENT. The land described herein shall not be held by the permittee for speculative purposes, but in good faith for mining the minerals specified; and the failure by the permittee in the diligent development and continued operation of the mine or mines, except when operations may be interrupted by strikes, the elements, or casualties not attributable to the permittee, shall be held as a want of compliance with the purposes of this permit and shall render it subject to revocation at the discretion of the Area Director; provided, that whenever the Area Director shall consider the marketing facilities inadequate or the economic conditions unsatisfactory, he may authorize the suspension of operations for such time as he may deem advisable. On mining permits operated exclusively by Navajos there shall be expended by the permittee the equivalent of \$5.00 per acre per year in actual mining development. Such development shall consist of road building, prospecting or drilling and mining operations. Where assignments or other agreements are made to non-Indians the development requirement shall be \$10.00 per acre per year. Certified reports shall be submitted to the Window Rock Area Office regarding development expenditures within ten days after the yearly anniversary date of the contracts.

(d) MONTHLY STATEMENTS. To keep an accurate account of all mining operations, showing the sales, prices, dates, purchasers, and the whole amount of minerals mined, the amount removed, and the gross receipts derived therefrom, and to furnish the Area Director sworn monthly reports thereon not later than the 25th of the succeeding month; and all sums due as royalty shall be a lien on all implements, tools, removable machinery, and all other personal chattels used in operations upon said property, and upon all of the unsold minerals obtained from the land herein, as security for payment of said sums.

(e) REGULATIONS. To abide by and conform to any and all regulations of the Secretary of the Interior now or hereafter in force relative to such permits; provided, that no regulations hereafter approved shall effect a change in rate of royalty, or the term of this permit, without written consent of the parties of this permit.

(f) ASSIGNMENT OF PERMIT. Not to assign this permit or any interest therein by an operating agreement or otherwise nor to grant any portion of the premises without approval of the Advisory Committee and the Secretary of the Interior, or his authorized representative.

OVER-RIDING ROYALTIES: Subject to approval provided for in section (f) of this permit, assignments, operating agreements, and sub-contracts may, in addition to other considerations, provide for the retention by and payment to the assignor in an assignment, or the grantor in a sub-contract or operating agreement, or a royalty on all ore produced and sold from the premises (commonly known as an over-riding royalty) of not to exceed the following percentage based on the mine value per dry ton of ore as defined on pages one and two of this permit, to-wit:

1. On ore having a mine value per dry ton of \$30.00 or less, 2% of the mine value per dry ton.
2. On ore having a mine value per dry ton of more than \$30.00 and not more than \$60.00, 3% of the mine value per dry ton.
3. On ore having a mine value per dry ton of more than \$60.00 and not more than \$80.00, 4% of the mine value per dry ton.
4. On ore having a mine value per dry ton of more than \$80.00, 5% of the mine value per dry ton.

If two or more parties are the assignors or grantors, the royalty may be divided on such basis as said assignors or grantors may agree upon; provided, however, that the Advisory Committee of the Navajo Tribal Council may at any time after five (5) years from the date of the first sale of uranium ore produced from said property (as evidenced by records of the processing mill or other buyer) reduce the percentage of royalty retained by the assignor or grantor or entirely eliminate the same if the Advisory Committee shall determine that such royalty payments so retained are so burdensome as to make the future operation of the mines on said lease impracticable or unprofitable, it being the intent hereof that the Advisory Committee shall at such time take such action as will serve the best interest of the Navajo Tribe in assuring the continuous operation of the uranium mining industry on the Navajo Reservation.

(g) **RENTAL.** Where permits or leases are assigned or interests are otherwise acquired by non-Indians an advance annual rental of \$1.00 per acre is required and no credit shall be allowed therefor on any future production royalties.

(h) **BOND:** All non-Indian contracts shall require a surety bond to insure performance of the terms of the contract. The amount of bond to conform to Departmental Mining Regulations.

2. **INSPECTION.** The permitted premises and producing operations, improvements, machinery and fixtures thereon and connected therewith shall be open at all times for inspection by the Area Director or his authorized representative.

3. **SURRENDER AND TERMINATION.** The permittee shall have the right at any time during the term hereof to surrender and terminate this permit or any part thereof upon the payment of all royalties due the Navajo Tribe, and any other obligations that may be due the Navajo Tribe; provided, that the permittee has complied with all instructions regarding conservation and protection of the property.

4. CANCELLATION AND FORFEITURE. When, in the opinion of the Area Director, there has been a violation of any of the terms and conditions of this permit, the Area Director shall have the right at any time after 30 days notice to the permittee, specifying the terms and conditions violated, and after a hearing, if the permittee shall so request within 30 days of receipt of notice, to declare this permit null and void, and if any royalties or other obligations are due the Navajo Tribe, to take appropriate action to see that such obligations are fulfilled.

5. MINES TRIBUTARY TO URANIUM PROCESSING MILL AT SHIPROCK, NEW MEXICO. Permittee or Lessee and any assignee of the Permittee or Lessee shall tender all uranium ores produced by them from mines tributary to the mill of the Navajo Uranium Company at Shiprock, New Mexico, to the Navajo Uranium Company for purchase at such price or prices as may be established or approved by the U. S. Atomic Energy Commission, including allowances for transportation and development work, provided, that when there has been purchased for the use of said mill or stock-pile according to the provisions of said lease, a quantity of ore sufficient to supply said mill with its normal ore requirements, the Navajo Uranium Company shall notify each permittee or lessee that the provisions of this paragraph are waived until further notice. The provisions of this paragraph shall not remain in force and effect for a period of more than five (5) years from the date of the approval by the Secretary of the Interior of the lease to the Navajo Uranium Company for the millsite at Shiprock, New Mexico.

Approval Recommended

Date 11/18/53

Lain Ahkeah
Chairman, Navajo Tribal Council

Joseph M. Mazon
Vice-Chairman, Navajo Tribal Council

I hereby accept the foregoing permit and agree to abide by all its terms and conditions.

Henry Phillips
Henry Phillips

(Permittee)

(Permittee)

Approved: 12-10-53
(Date)

Alan Simpson
Area Director

AGREEMENT AND SALE AND ASSIGNMENT

THIS INSTRUMENT OF AGREEMENT AND SALE AND ASSIGNMENT, made as of the 8th day of May, 1952, between NAVAJO URANIUM COMPANY, a Colorado corporation, hereinafter sometimes called NAVAJO, and KERR-McGEE OIL INDUSTRIES, INC., a Delaware corporation, hereinafter sometimes called KERR-McGEE,

WITNESSETH:

WHEREAS, NAVAJO owns certain mining leases and other interests in or agreements with respect to mining rights; also mines, equipment, tools and an ore sampling plant and other properties incident to the mining of hard minerals; which said properties are generally described and listed in Exhibit "A", attached hereto and made a part hereof; and

WHEREAS, KERR-McGEE is desirous of acquiring all of said properties subject to and on the terms and conditions hereinafter provided and NAVAJO desires to effect such transaction.

NOW, THEREFORE, in consideration of the premises and of the several and mutual agreements herein contained, the parties mutually and severally agree as follows:

1. It is stipulated and agreed that of the mining rights referred to in and covered by Exhibit "A" NAVAJO owns an undivided three-fourths leasehold interest and estate in and with respect to two certain mining leases (as amended), hereinafter identified, and has an agreement, with respect to said leases, with the owners of the remaining one-fourth leasehold interest pursuant to which the said one-fourth interest owners are to receive a 5% free overriding royalty, based on all ores mined and sold from the lands covered by the said leases in lieu of proceeds accruing to the said undivided one-fourth leasehold interest, the said two leases being (a) Lease Contract

18

No. I 149 Ind. 8666 from the Navajo Tribal Council to Dan Phillips, Lessee, dated December 20, 1949, and covering 428 acres of the tribal Indian lands in the Navajo Reservation, Apache County, Arizona; and (b) Lease Contract No. I 149 Ind. 8667 from the Navajo Tribal Council to Koly Black, Lessee, dated December 30, 1949, and covering 640 acres of the tribal Indian lands in the Navajo Indian Reservation, Apache County, Arizona; and the other principal mining interests being: (c) Mining permit dated September 29, 1950 from the Navajo Tribal Council to Koly Black, covering 320 acres adjoining Lease 8867 on the south and east, with respect to which Navajo has an agreement with the Lessee; (d) Mining permit dated September 29, 1950 from the Navajo Tribal Council to Dan Phillips, covering 320 acres adjoining the southeasterly side of the north portion of Lease 8867, with respect to which Navajo has an agreement with the Lessee; (e) Mining permit dated September 29, 1950 from the Navajo Tribal Council to Henry Phillips, covering 640 acres adjoining Lease 8666, with respect to which Navajo has an agreement with the Lessee; and (f) certain prospecting permits from the Navajo Tribal Council to various individuals, with whom Navajo has agreements, covering lands adjacent to the lands covered by the hereinabove described mining leases and permits, the total number of acres being covered by all of the above described and referred to mining leases, permits and prospecting permits being 3500 acres, more or less.

2. There is attached hereto and made a part hereof as Exhibit "B" a Statement setting forth the total maximum dollar amounts and the portions of production, or proceeds allocable to production, or the value thereof, from said leases out of which said total maximum dollar amounts are to be recovered and other terms and conditions pertaining to the foregoing, all of which provisions are hereinafter referred to as the "ore payments", it being one of the purposes and intentions hereof that the sale and assignment from NAVAJO

to KERR-McGEE, effected and to be effected by this instrument, shall be subject, and that there shall be, with respect to the said two mining leases and interests therein hereinbefore described and referred to, excepted from the same and reserved to NAVAJO the said ore payments.

3. Except for the leases, estates, interests, agreements and/or other arrangements described or referred to in Section numbered 1 above, NAVAJO hereby sells, assigns, bargains, transfers, conveys and sets over unto KERR-McGEE all of its property and assets of every and any kind and character which it may possess, and/or to which it may be entitled, real, personal or mixed, tangible or intangible (including cash) and whether or not disclosed or known to the parties, or either of them, subject, as hereinafter set forth, to all and every of the liabilities of NAVAJO (among which are notes of NAVAJO to First State Bank, Gallup, New Mexico, and to First National Bank, Albuquerque, New Mexico, and loans from stockholders of NAVAJO to it, the total of which, with interest to the date hereof, are represented by NAVAJO not to exceed \$196,114.32, which said obligations KERR-McGEE agrees forthwith to pay, satisfy and discharge, and KERR-McGEE agrees to pay for all and every of said property and assets, simultaneously with the execution hereof by both parties, cash in the total amount of \$46,446.43; and NAVAJO hereby warrants to KERR-McGEE that the said property and assets here and now sold and transferred to KERR-McGEE by NAVAJO, as aforesaid, have, as of the date hereof, by financial statement of NAVAJO to be prepared by certified public accountants of KERR-McGEE'S selection, a book value, after deduction of the total NAVAJO'S liabilities, of \$46,446.43; it being intended, and agreed, by the parties that KERR-McGEE'S subjection to liabilities of NAVAJO shall be limited so that it shall never be liable, obligated or responsible to anyone on account thereof for any sums the payment of which would require it to expend in excess of the said total of book value of said assets less \$46,446.43.

4. With respect to the mining leases, claims, interests and other matters and items described and/or referred to in Section 1 and Exhibit A hereof, NAVAJO hereby sells, assigns, bargains, transfers, conveys and sets over unto KERR-McGEE all of its rights, estates, and interest of every and any kind and character which it may possess and/or to which it may be entitled, whether or not disclosed or known to the parties, or either of them, free and clear of all liens, charges or encumbrances of any kind or description, saving and excepting, however, from the said sale, assignment and transfer and reserving unto itself out of the two mining leases first hereinbefore described and referred to in Section 1 the said ore payments more particularly set forth and described in Exhibit B, attached hereto and made a part hereof the same as if the provisions with respect to the said ore payments were set forth in hac verba in this exception and reservation, and KERR-McGEE agrees to pay to NAVAJO, simultaneously with the execution hereof by both parties, the sum of \$5,000.00 cash. It is understood, stipulated and agreed that if and when NAVAJO, its successors and assigns, has recovered the amounts reserved unto itself pursuant to the provisions with respect to the said ore payments, its property, interests, and any and all rights to receive money in and with respect to the said mining leases shall automatically cease and terminate and that KERR-McGEE'S property interest and estates and rights therein and with respect thereto will automatically be correspondingly expanded and increased and that thereafter NAVAJO, nor anyone claiming by, through, or under it, shall have any claim, right or interest of any kind against or with respect to KERR-McGEE or the said leases or any production of any kind therefrom or proceeds to the production therefrom.

5. This instrument shall act as and be, and it is the purpose and intent of the parties that it shall be, a present, effective, binding sale and assignment of all of the property and assets of NAVAJO to KERR-McGEE except

for the said exception and reservation of property, rights and interests pursuant to the said reserved ore payments; it being further provided and agreed, however, that for the convenience of the parties, or either of them, NAVAJO will, upon request of KERR-McGEE, or upon its own motion, execute any and all further and separate bills of sale, deeds, assignments or other instruments as may be requisite or desirable in order to more fully or conveniently evidence and effectuate the transaction covered by this instrument, including the succession of KERR-McGEE to all rights, estates and interests of NAVAJO as the owner of property and/or a party to contracts and agreements.

IN WITNESS WHEREOF, the respective parties have caused this instrument to be duly executed on their respective behalves by persons thereunto duly authorized, all as of the year and day first above written, the same to be binding and effective upon and to inure to the benefit of not only the parties hereto but also their respective successors, assigns and representatives.

NAVAJO URANIUM COMPANY

By

President

J. A. Kennedy

ATTEST:

Arthur L. Wood
Secretary

KERR-McGEE OIL INDUSTRIES, INC.

By

Vice-President

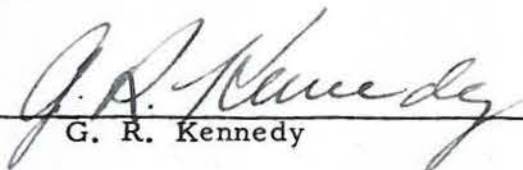
J. C. Love

ATTEST:

J. J. Robinson
Ass't. Secretary

JOINDER AND INDEMNITY

The undersigned, G. R. Kennedy, being the owner of all of the outstanding capital stock of said Navajo Uranium Company, and in order to induce said Kerr-McGee Oil Industries, Inc. to execute the foregoing instrument, hereby joins in the warranty of Navajo contained in Section 3 above and indemnified, and agrees with, Kerr-McGee, to hold it harmless in such respect and that it shall have the benefits, which are hereby assigned and pledged to Kerr-McGee as security for said undertaking, of the warranties of the "Sellers" contained in that certain "Agreement of Purchase and Sale of Capital Stock" dated April 30, 1952 between the undersigned and various owners of the capital stock of Navajo.


G. R. Kennedy

STATE OF Oklahoma,)
COUNTY OF Oklahoma,) ss

Before me, Elizabeth Zernig, a Notary Public in and for said County, State of Arizona, on this day personally appeared J.R. Kennedy, known to me to be the person whose name is subscribed to the foregoing instrument as President of said Navajo Uranium Company, a corporation, described in the foregoing instrument, and as such President acknowledged to me that he executed the same for said corporation, for the purpose and consideration therein expressed, as its free act and deed, and by him voluntarily executed.

Given under my hand and seal of office, this 8th day of May, 1952.



Elizabeth Zernig
Notary Public

My commission expires:
12-4-53

STATE OF Oklahoma,)
COUNTY OF Oklahoma,) ss

Before me, Elizabeth Zernig, a Notary Public in and for said County, State of Arizona, on this day personally appeared F.C. Lane, known to me to be the person whose name is subscribed to the foregoing instrument as Vice-President of Kerr-McGee Oil Industries, Inc., a corporation, described in the foregoing instrument, and as such Vice-President acknowledged to me that he executed the same for said corporation, for the purpose and consideration therein expressed, as its free act and deed, and by him voluntarily executed.

Given under my hand and seal of office, this 8th day of May, 1952.



Elizabeth Zernig
Notary Public

My commission expires:
12-4-53

STATE OF Oklahoma,)
COUNTY OF Oklahoma,) ss

This instrument was acknowledged before me this 8th day of May,
1952 by G. R. Kennedy.

Elizabeth Zaenig
Notary Public

My commission expires:

12-4-53



-25

EXHIBIT "A"

TO

AGREEMENT AND SALE AND ASSIGNMENT
DATED MAY 8, 1952 BETWEEN NAVAJO
URANIUM COMPANY AND KERR-McGEE
OIL INDUSTRIES, INC.

General description of property and assets of Navajo Uranium Company.

Cash

Accounts receivable

Discovery bonus receivable

Inventory of ore mined

Inventory of mine supplies

Prepaid royalties

Mining leases and agreements with respect to
mining leases and permits and prospect-
ing permits.

Office furniture and equipment

Camp equipment

Mobile equipment

Mine machinery and equipment

Mine structure - shop - ore bins, etc.

Mine dwellings

Safety and fire protection items

Ore Sampling Plant

Deferred charges

- 26 -

EXHIBIT "B"

TO

AGREEMENT AND SALE AND ASSIGNMENT DATED
MAY 8, 1952 BETWEEN NAVAJO URANIUM COMPANY
AND KERR-McGEE OIL INDUSTRIES, INC.

The "ore payments" referred to in the instrument between Navajo Uranium Company and Kerr-McGee Oil Industries, Inc., dated May 8, 1952, to and of which this is an Exhibit and an integral part, are fixed and described and agreed to, as follows:

1. A U. S. dollar payment in the total maximum amount of Six Hundred Fifty-Five Thousand Dollars (\$655,000.00).

Navajo excepts from its said two leasehold interests and estates sold and assigned to Kerr-McGee in and by the said instrument above described and referred to, and reserves and retains to itself, out of the said estates and interests, a leasehold estate and interest sufficient to recover the above stated sum in cash in U. S. dollars in accordance with the further terms and provisions hereof, as follows:

(a) The first Two Hundred and Forty Thousand Dollars (\$240,000.00) thereof, to the extent hereinafter provided, shall be deemed to be the same Two Hundred and Forty Thousand Dollars (\$240,000.00) heretofore reserved by F. A. Sitton, predecessor in interest to Navajo, in connection with his assignment of the said two leases to Navajo (then named F. A. Sitton, Inc.); and the portion of said \$655,000.00 ore payment represented by or allocable to the provisions of this sub-paragraph (a) is intended to be but a reiteration or reinforcement of the said F. A. Sitton ore payment, to the extent it is presently unpaid, so that when, on account of the production and sale of ore from the said two leases, the said F. A. Sitton ore payment has been satisfied and discharged, this \$240,000.00 portion of the said ore payment in the total

maximum sum of \$655,000.00 shall also be satisfied and discharged regardless of whether or not all or any part of the said \$240,000.00 portion of this ore payment has been paid to or received by Navajo, its successors and assigns, and this \$240,000.00 portion of said ore payment, although independent of said F. A. Sitton ore payment to the extent it is hereby created to satisfy and reinforce the same, is not in addition thereto; and in conformity with the foregoing, and reiterating the terms and provisions relating to the said F. A. Sitton ore payment, it is stipulated and agreed that the said \$240,000.00 portion of said \$655,000.00 ore payment shall be satisfied and discharged as follows:

Cash payments shall be made with respect to the said maximum \$240,000.00 portion of said \$655,000.00 ore payment as ore is mined and sold from the said two leases, said payments to be made in accordance with the following schedule:

<u>Weighted Monthly Average U₃O₈ Content of Ore</u>	<u>Payment Per Dry Short Ton of Ore</u>
Less than 0.20%	\$1.00
0.2% to 0.25%	\$1.50
0.25% to 0.30%	\$2.00
0.30% to 0.40%	\$2.50
0.40% to 0.50%	\$3.00
0.50% and over %	\$4.00

(b) As to \$15,000.00 of the remaining \$415,000.00 of the said \$655,000.00 ore payment, the said \$15,000.00 shall be recovered to and receivable by Navajo by the payment to it, from the date hereof and until the full said \$15,000.00 has been paid to and received by Navajo, of cash at the rate of Five Cents per ton with respect to all ore produced from the said two leases and sold.

(c) As to the remaining Four Hundred Thousand Dollars (\$400,000.00) of the said ore payment of \$655,000.00, the same shall be recovered to and receivable by Navajo in accordance with the following:

Forthwith after One Million Dollars (\$1,000,000.00) gross sales price of ore (and no allowances, bonuses or other like payments shall be deemed to be a part of the sales price of ore except the development allowance presently provided for by the A E C, or like future payments which may be earned) has been received by the seller of ores produced from the said two leases;

then Navajo shall be credited and paid at the rate of One Dollar and Fifty Cents (\$1.50) per ton of ore produced from the said two leases and sold.

2. A U. S. dollar payment in the total maximum amount of Three Hundred Ten Thousand Dollars (\$310,000.00).

Navajo excepts from its said two leasehold interests and estates sold and assigned to Kerr-McGee in and by the said instrument above described and referred to, and reserves and retains to itself, out of the said estates and interests, a leasehold estate and interest sufficient to recover the above stated sum in cash in U. S. dollars in accordance with the further terms and provisions hereof, as follows:

(a) From the date hereof and until the gross sales price of ore produced from the said two leases and received by the seller thereof has aggregated One Million Dollars (\$1,000,000.00), Navajo shall be credited and paid at the rate of Three Dollars (\$3.00) per ton of ore produced from the said two leases and sold; but

(b) From the date when the aforesaid \$1,000,000.00 of ore is sold and if, at said date the said \$240,000.00 (maximum amount) portion of the ore payment described in 1(a) (the F. A. Sitton ore payment) above has not been satisfied and discharged, then the said rate of payment shall be \$2.00 per ton, provided, however,

(c) From and after the date when the said F. A. Sitton ore payment has been satisfied and discharged, the said rate of payment shall be \$5.00

per ton; provided further, that,

(d) In the event the average gross sales price of ore for any month shall exceed \$40.00 per ton, the said rate of payment shall be increased by the sum of \$2.50 per ton.

3. All sums of money accruing with respect to both of the hereinabove described ore payments, including the separate portions thereof, shall be paid monthly to Navajo, its successors and assigns, and shall be accompanied by an accounting statement responsive to all of the foregoing.

And whereas, the herein assignors are the present owners of a certain mining permit hereinafter described on certain Navajo Tribal Lands; and

WHEREAS, the said mining permit is now assignable under the Resolution of the Advisory Committee of the Navajo Tribe, Resolution No. A. T. S. 80-51, which was passed by authority of the General Tribal Council Resolution No. C. N. 3-51,

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

1. That for and in consideration of the sum of Twenty-five (\$25.00) and no/100 Dollars and other good and valuable consideration, the receipt of which is hereby acknowledged, and for other good and valuable consideration hereinafter recited, the said Henry Phillips and Imaree Phillips, husband and wife, assignors herein, Navajo Indians of Cove, Arizona, the owners of the said mining permit, hereby grant, bargain, sell, assign, convey and deliver unto Kerr-McDee Oil Industries, Inc., assignee herein, of Oklahoma City, Oklahoma, and to its successors and assigns, the said assignors' full and entire interest in and to the hereinafter described Mining Permit, to-wit:

Beginning at the southeast corner of Dan Phillips' Lease No. 8666, commonly known as Mesa No. 4; South 3° East 300 feet to a point; thence N $52^{\circ} 30'$ East 3900 feet; thence S 86° East 360 feet; thence S 14° East 680 feet; thence S $41^{\circ} 45'$ West 2240 feet; thence S 30° East 320 feet; thence North 55° East 2035 feet to a point on part of Dan Phillips' Lease No. 8666, commonly known as Mesa No. 2; thence S $35^{\circ} 30'$ West along the line of said Mesa No. 2; 3800 feet to the most southwesterly corner of said lease; thence S $11^{\circ} 30'$ West 920 feet to a point, being the most northwesterly corner of Koley Black's 320-acre mining permit; thence S 36° West 1635 feet to a point (this point bears approximately S 83° East 2400 feet to U.S.G.S. triangulation station Center point); thence S 36° West 2640 feet along west line of Koley Black's mining permit and Koley Black's 320-acre lease No. 8667 to a point on ore rim approximately 500 feet past Southwest corner of Koley Black's Lease No. 8667, sometimes shown on A.T.S. map as Flag Mesa, but described on our map on file with Department of Interior as Mesa No. 6; thence N 24° East 1970 feet; thence S $58^{\circ} 30'$ West 1060 feet; thence N $4^{\circ} 30'$ West 1000 feet; thence S 20° West 1250 feet; thence S 49° West 550 feet; thence N 21° West 1110 feet; thence S 32° West 1710 feet; thence N $57^{\circ} 30'$ West 550 feet; thence S 89° East 400 feet; thence S 6° East 450 feet; thence S 32° West 710 feet; thence N $6^{\circ} 30'$ East 1070 feet; thence N $36^{\circ} 45'$ East 7725 feet to point of beginning, containing more or less 589 acres, designated on our map as Mesa No. 3.

together with said assignors' full and entire interest in all equipment, roads, and present development in, on and to the hereinabove described premises.

2. It is expressly understood that this assignment and agreement will not be effective until approved by the Advisory Committee of the Navajo Tribal Council and the Secretary of Interior or his authorized representative.

3. Upon this assignment and agreement being approved as hereinbefore stated and then becoming effective, it is understood and agreed by the assignee that said assignee shall do the following things:

A. The assignee being a non-Indian will be required to develop the said mining permit in the amount of \$10.00 per acre per year and to furnish the said Advisory Committee with a certified report regarding such development expenditure within ten days after the yearly anniversary date of the said mining permit.

B. The assignee shall pay \$1.00 per acre per year in advance as advance rental and no credit shall be allowed therefore on any future production royalties to become due.

C. The assignee shall comply strictly with the said assigned permit and will furnish the Navajo Tribe with a surety bond to insure performance of the terms of the said mining permit and of this assignment and agreement. The amount of the said bond is to conform to the Department of Mining Regulations.

D. The assignee agrees to commence mining and actually selling of ore from the property heretofore described within six (6) months from the date of the approval of the assignment by the said Advisory Committee and assignee understands and agrees that failure to do so shall void this assignment.

E. The assignee agrees to operate the mine on said property in a workmanlike manner and in accordance with applicable laws and regulations, and if a mine is abandoned, said mine shall be left timbered.

F. It is further agreed by the assignee that no timbers shall be cut on Tribal lands and used for mining operations without having complied with the regulations governing the cutting of timber, and the assignee agrees to pay for said timbers at the price provided.

4. In addition to the amount paid the said assignors for this assignment of their said mining permit, the assignee agrees to pay the said assignors an over-riding royalty in the amount as follows, to-wit:

1. On ore having a mine value per dry ton of \$30.00 or less, 2% of the mine value per dry ton.
2. On ore having a mine value per dry ton of more than \$30.00 and not more than \$60.00, 3% of the mine value per dry ton.
3. On ore having a mine value per dry ton of more than \$60.00 and not more than \$80.00, 4% of the mine value per dry ton.
4. On ore having a mine value per dry ton of more than \$80.00, 5% of the mine value per dry ton.

Said over-riding royalty being made subject to the provisions of Section 2 of Resolution No. 80-51 of the Advisory Committee of the Navajo Tribal Council.

In the event minerals or other products are recovered which are not included in determining mine value per dry ton as defined in the said Resolution No. 80-51, there shall be paid to the assignors herein for such minerals or other products a royalty of five (5%) per cent of the gross value of such minerals or products. The assignee further agrees to pay the said assignors five (5%) per cent of any bonus paid by the Atomic Energy Commission. The assignee further agrees to pay the Navajo Tribe royalties and percentage of bonuses from the operation of the lands described above in such mining permit in accordance with the royalty schedules for the Navajo Tribe and provisions pertaining to bonus division as contained in the resolution of the Advisory Committee of the Navajo Tribal Council, Resolution No. A.C.S. 80-51, and as amended in the Resolution of the Advisory Committee No. A.C.M. 5-52, which amendment provides for royalty payments for minerals or other products not included in determining mine value per dry ton as defined in said

Resolution No. 80-51, both of the said resolutions being incorporated by reference herein.

5. The assignee herein agrees to be bound by the provisions of the following advisory Committee Resolutions: No. A. S. C. 80-51, A. C. F. 4-52, and A. C. R. 5-52.

6. It is agreed by and between the parties hereto that upon the renewal of this mining permit or its conversion into a mining lease, the provisions contained in this instrument for the payment of over-riding royalty, percentage of bonus to be paid, and all such provisions for payment by the assignee shall remain the same, subject however to any required approval by the Secretary of the Interior, the said advisory Committee or other person.

7. This assignment embodies the entire agreement between the parties hereto.

8. It is understood and agreed by the parties hereto that the assignee takes this assignment subject to the provisions of the advisory Committee Resolution No. A. S. C. 47-52 pertaining to sub-lease or working agreements. That should the said assignee assign, sub-lease or enter into any working agreement covering the said assignment, then in that event, this assignment shall be null, void and terminated.

9. It is understood and agreed that the parties hereto will comply with all lawful Tribal laws of the Navajo Tribe and with all Federal Regulations that pertain to the use and operation of this mining permit or the action of the assignee upon Tribal lands.

10. This agreement shall inure to the benefit of and be binding upon

the heirs, administrators, executors, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the said parties have hereunto set their hands and seals this 11th day of November, 1953.

ASSIGNORS:

Henry Phillips
Henry Phillips
+ (Her Mark)
Emaree Phillips

ASSIGNEE:

KEL-R-MCGEE OIL INDUSTRIES, INC.

J. C. Lane
Vice-President

ATTEST:

[Signature]

Recommended for approval by Advisory Committee November 18, 1953.

Sam Ahkeah
CHAIRMAN,
NAVAJO TRIBAL COUNCIL

DATE: FEB 16 1954

Aileen C. [Signature]
AREA DIRECTOR

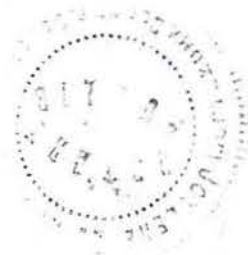
STATE OF OKLAHOMA)
) ss
COUNTY OF MONTEZUMA)

On this 11th day of November, 1953, before me appeared Henry Phillips and Emaree Phillips to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this instrument above written.

Joylene A. Wilkinson
Notary Public

My commission expires: 6-4-57.



STATE OF OKLAHOMA)
) ss
COUNTY OF OKLAHOMA)

Before me, the undersigned, a Notary Public, in and for said County and State, on this 13th day of November, 1953, personally appeared

E. C. Love to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its _____

Vice President and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Thelma Dulaney
Notary Public

My commission expires:

Oct 9, 1956

STIPULATION

WHEREAS, an Assignment of Mining Permit, dated November 11, 1953, was made and entered into by and between Henry Phillips and Emaree Phillips, husband and wife, as Assignors and Kerr-McGee Oil Industries, Inc., as Assignee, covering Mining Permit--Navajo Tribal Lands, in favor of Henry Phillips and covering the lands in Apache County, Arizona, described therein; and

WHEREAS, it is desired that said Assignment of Mining Permit be approved as required by law and the terms of said Mining Permit;

NOW, THEREFORE, for and in consideration of the premises and such approval, the undersigned Kerr-McGee Oil Industries, Inc., as Assignee, stipulates and agrees as follows, to-wit:

- (1) Said Assignee shall give preference in the employment in its mining operations under said Assignment of Mining Permit to Navajo Indians qualified to perform the duties required at prevailing wages therefor; and
- (2) Said Assignee shall indemnify and hold harmless the said Assignee and the Navajo Tribe from all liability in connection with Assignee's mining operations under said Assignment of Mining Permit.

EXECUTED this 29th day of December, 1953.

Attest:


[Signature]
Secretary

Kerr-McGee Oil Industries, Inc.

By

[Signature]
Vice President

809
[Handwritten notes]

State of Oklahoma)
) ss.
County of Oklahoma)

Before me, the undersigned, a Notary Public, in and for said County and State, on this 29 day of December, 1953, personally appeared F.C. Love to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its Vice President and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Thelma D. Delaney
Notary Public

My commission expires:

Oct 9, 1956



R. H. Toole, Chief, Leasing & Development
Branch, Mining Division, GJ

November 15, 1954

Thru: D. R. Hill, Chief, Development Section, Leasing & Development Branch,
P. W. Simmons, Ass't Chief, Ore Mining Division, GJ
Procurement Branch, Mining Division, GJ

DIVISION OF CERTIFICATION - D.U.P.06-C-424 - KOLEY BLACK LEASE,
PARCEL # 3, SHIPROCK DISTRICT, NAVAJO RESERVATION, APACHE COUNTY, ARIZONA

Symbol: MD:PWS

"RETURN TO MINING DIVISION"

On January 15, 1954, an application for certification of the subject property was received, accompanied by a letter requesting certification on only a 150-acre portion of the 320-acre Koley Black lease be granted.

On April 19 the Mining Division notified the applicant the application for split was denied, but the entire block was being certified as eligible to receive bonus of 10,000 pounds.

By telephone the applicant requested reconsideration, especially as the examining engineer, E. B. Butts, had recommended the split.

Another examination was made by P. W. Simmons whose report follows:

Reasons advanced by applicant for enactment of the "special case" clause of Circular 6.

- a. Recipitous terrain with the resultant abnormal cost of road construction.
- b. Spotty, small, marginal nature of the ore bodies.
- c. Proper development of ore will require 50,000 feet of drilling and 17,000 feet of road construction.

The original examining engineer recommended the Koley Black lease, Parcel # 3, be divided, and the northern portion of 150 acres be declared eligible to receive bonus payments. He reasoned that due to heavy operating expenses, poverty of ore and probable necessity of continued large scale exploration, the property was eligible to receive the benefits of the "special case" clause of Circular 6.

The Mining committee overruled both the applicant and the engineer and ruled that the lease was certainly not eligible for more than a single bonus, at least not in the current phase of exploration.

I find the committee's ruling more nearly compatible with the intent of the Circular.

OFFICE ▶	MD	MD	MD	Brown	
SURNAME ▶	Simmons:sp	Hill	Toole	Brown	Cozzy
DATE ▶	11/15/54	11/15/54	11/15/54	11/17/54	11/18/54

November 15, 1954

In the first place, the Commission has already expended a fantastic amount of money on the subject ground, drilling and building roads. The ore developed by this work constitutes a substantial inducement for private investment. The applicant pleads for consideration because of excessive road construction costs. I find this reasoning fallacious because the roads have in general already been constructed by A.E.C. efforts. Considerable clearing and some regrading will be required, but all the improvements can be obtained at a nominal cost.

The 50,000 feet of drilling outlined is just a proposed figure that has no basis in fact. The applicant may or may not drill any of the footage cited. Commission drilling was very disappointing and does not seem to justify an additional 50,000 feet. I choose to believe a very modest amount of development drilling behind present known ore bodies is all that is indicated. In any event I fail to see where Circular 6 fits with the picture.

The present certification has been in effect for five months. 1,740 tons of ore containing 7,368 pounds of U_3O_8 have been produced. About 10,000 feet of drilling plus several thousand feet of bulldozing have been performed.

The attached maps show the location of the proposed company drilling and are made a part of this report only as a matter of record.

Recommendation

I recommend the application for split of the Koley Black Lease, Parcel #3, be denied.

Enclosure:

Maps (6)

cc: J. F. Brown

Charles A. Raser, Chief, Development Branch
Mining Division, GJ

April 7, 1954

T. Toren, Mining Engineer
Mining Division, GJ

ADDENDUM TO CERTIFICATION OF THE NORTHWEST SECTION (KOLEY BLACK LEASE,
PARCEL NO. 3)

Symbol: MD:TT

The covering letter received with the application for certification of the Koley Black Lease, Parcel No. 3, requested that only a portion of Parcel No. 3 be certified.

The examining engineer recommended that the portion of Parcel No. 3 requested by the applicant, be considered for certification under the special case clause in Circular 6.

It has generally been the policy of the Commission to award a certification to all of the contiguous property held under one constructive ownership.

In view of the past precedent set in certifying over 400 properties, the Koley Black Lease, Parcel No. 3 in its entirety, should be awarded a certification.

In the event Parcel No. 3 produces over 10,000 pounds of U_3O_8 and the operators wish to be considered for an additional bonus, they can apply for another certification at that time.

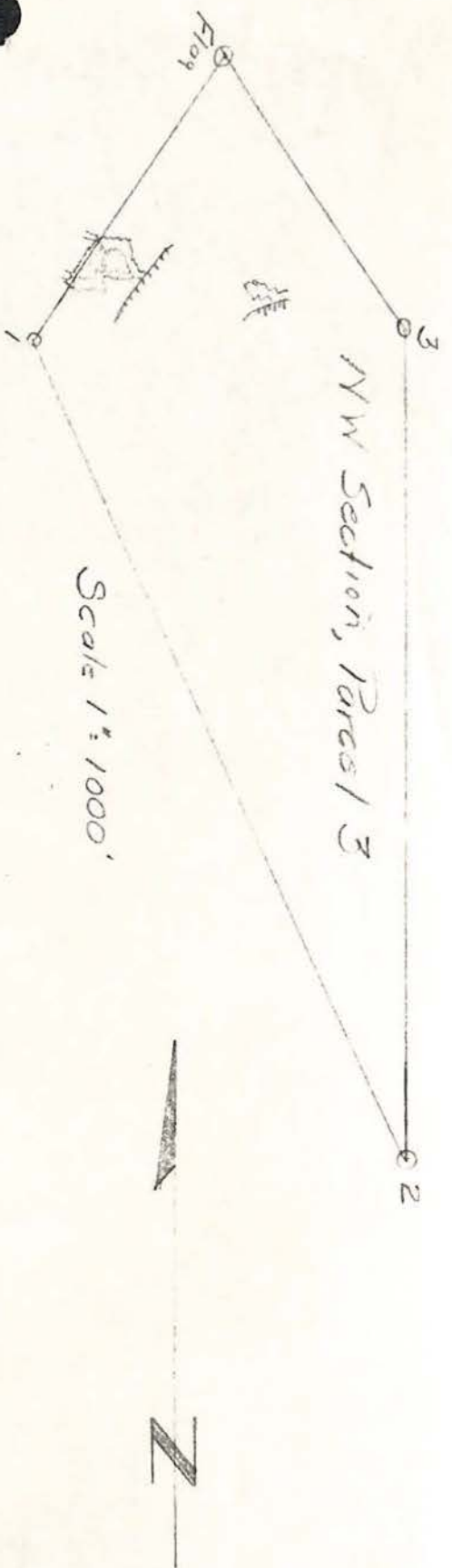
It is therefore recommended that the Koley Black Lease No. 866, Parcel No. 3 in its entirety, be certified for bonus payments.

The property recommended for certification is described as follows:

Beginning at the SW corner of Parcel No. 3, whose geographical coordinates at Latitude $36^{\circ} 29' 55.69''$ north, and Longitude $109^{\circ} 15' 19.30''$ west of Greenwich; thence S $23^{\circ} 56' 48''$ E, a distance of 6572.2 feet to the SE corner; thence N $36^{\circ} 15' 38''$ E, a distance of 3040 feet to the NE corner; thence N $33^{\circ} 45' 32''$ W, a distance of 6130 feet to the NW corner; thence S $34^{\circ} 29' 56''$ W, a distance of 1870 feet to the point of beginning, containing 320 acres, more or less.

cc: E. R. Gordon
cc: Edgar B. Butts

OFFICE ▶	MD				
SURNAME ▶	Toren/lm				
DATE ▶	4/7/54				



Koley Black lease
Kachachatai District
Apache County, Arizona

EBB

Charles A. Raser, Chief, Development Branch
Mining Division, GJ

March 18, 1954

Edgar B. Butts, Mining Engineer
Mining Division, Grants, New Mexico

**CERTIFICATION OF THE NW SECTION OF THE KOLEY BLACK LEASE, PARCEL NO. 3,
LUKACHUKAI MOUNTAINS MINING DISTRICT, APACHE COUNTY, ARIZONA**

Symbol: MD:EBB

Abstract:

The plot containing 150 acres, more or less, was leased from the Department of Interior. It is not on withdrawn land.

The plot has been surveyed and mapped, and the mining lease I-149-IND-8667, Flag Mesa, is on file at the Navajo Indian Agency, Window Rock, Arizona.

The lease is well staked and tied.

The property is currently being operated by the Navajo Uranium Division of Kerr-McGee Oil Industries, Inc. No ore was sold before February 28, 1951.

This section of the lease is recommended for bonus certification.

Introduction:

The application for certification, dated January 12, 1954, and signed by M. F. Bolton, Resident Manager, Cortez, Colorado, was received February 12, 1954. The property was examined on February 23, 1954, in the presence of Mr. M. F. Bolton.

Status of the Land:

The mining lease No. I-149-IND-8667, Flag Mesa, was approved by the Department of Interior on December 8, 1949, and amended on August 22, 1951.

A description of the lease, a sketch and tie, as shown on the accompanying map, is on file at the Navajo Indian Agency, and is a part of the mining lease granted to the lessee.

The description of the lease is as follows:

Koley Black Lease Parcel 3.

Beginning at the southwest corner of Parcel No. 3, Koley Black Lease No. 8667, which is triangulation point Flag; thence S.

OFFICE ▶	MD	23° 56' 48" E., 5100 feet to corner No. 1; thence N. 00° 00' 00" W.,				
SURNAME ▶	Butts/lm					
DATE ▶	3/18/54					

March 18, 1954

4680 feet to corner No. 2; thence N. 33° 45' 32" W., 1845 feet to corner No. 3, which is the northwest corner of Parcel No. 3, Koley Black Lease No. 8667; then S. 34° 29' 56" W., 1870 feet to the point of beginning. Containing 150 acres in Apache County, Arizona.

The property can be reached by following the gravel road from Highway 666 to Cove, and then on to the Navajo Uranium Mine office. From the office take the high line truck road for 9.6 miles to the mine.

Ownership:

The mining lease for the Koley Black Lease, Parcel 3, was granted by the Department of Interior to Koley Black on December 8, 1949.

On August 8, 1951, the assignment to the Navajo Uranium Company was approved by the Department of Interior and amended on August 22, 1951.

The lease was recorded May 12, 1950, in the County of Apache, State of Arizona, book No. 3, pages 623-624.

The lease carries the customary terms of the Indian Reservation leases plus a five percent over-riding royalty to Koley Black.

Production:

The Grand Junction Finance Division records show no production prior to March 1, 1951.

If certified, the property would be eligible for bonus payment on 10,000 pounds of U₃O₈.

Recommendations:

The NW section of the Koley Black Lease, Parcel No. 3, is recommended for certification as a special case under Circular 6, G-3 VI. The reasons for dividing this lease are as follows:

1. A great amount of money was spent in drilling and building roads before this NW section was in production.
2. The total production through December 1953, being 545 tons of ~~40.22%~~ 0.22%, or approximately 2500 pounds of U₃O₈, have been produced.
3. Although the uranium-bearing strata varies from three to five feet in thickness, the ore is very "spotty" and requires careful mining and constant sorting of waste and low grade material. Due to the tenor and mining conditions, the Company has been unable to keep contractors to mine the ore. It is now being mined by Company Account.
4. It is very possible that in the very near future, the Company will be compelled to start another drilling campaign.

March 18, 1954

5. Without certification, it is believed that serious inequities would result, and mining of vital uranium ore hindered.

6. No doubt, in the future, certification will be asked for the SE section of this lease. In developing this section the Company plan on doing from 30,000 to 40,000 feet of drilling and will have to build between four and five miles of road in order to reach the property.

Production Possibilities:

The mineralized horizon on the Koley Black Lease is the Salt Wash member of the Morrison formation, with the uranium-bearing strata being from three to five feet thick. The ore is very "spotty" and great care must be taken in the mining and sorting of waste, and low grade material is required in order to produce a commercial grade of ore. Currently the mine is producing. The most common type of mineralization is carnotite. Vanadium content is high, as is the rule in that district, with an comparative intermediate lime content.

The classification of the ore reserves according to availability show: Mining symbol "B", Metallurgy symbol "A", Access symbol "A", the Company being salified with a low penalty for a high lime content.

With only a few drill holes ahead of the present working faces, no attempt was made to make a tonnage estimate.

It is very possible that this property could be developed into a steady producer of U_3O_8 .

cc: E. R. Gordon

cc: Edgar B. Butts, Grants, New Mexico

PAID-OUT CERTIFICATION

Certification No. C-424

All eligible production bonus on this certification has been paid.

Per notification from Finance Division dated 10-3-56.

DO NOT DESTROY THIS DOCUMENT.

MD:DRH

August 20, 1956

Kerr-McGee Oil Industries, Inc.
P. O. Box 608
Shiprock, New Mexico

Re CERTIFICATIONS IN LUKACHUKAI MOUNTAINS, NOS. 149, 155, 156, 158,
424, 483, 606, 773, & (APPLICATION NOS. 1337, 1338, 1339, 1340).

Gentlemen:

Reference is made to your applications dated February 28, 1956 requesting a re-evaluation of the method of certifying properties under your control in the Lukachukai Mountains, Shiprock Mining District, Apache County, Arizona. Our engineers have completed an investigation of the entire certification unit structure. The unit structure as now established is as follows:

<u>Cert. No.</u>	<u>Description of Unit</u>	<u>Lbs. orig. cert. eligible</u>	<u>Eligible balance as of 7/20/56</u>
DUP C6-C-149	Parcel No. 2, Dan Phillips Lease No. 8666	3,556.83	None
DUP C6-C-155	Parcel No. 1, Dan Phillips Lease No. 8666	8,554.73	None
DUP C6-C-156	Parcel No. 3, Dan Phillips Lease No. 8666	10,000.00	None
DUP C6-C-158	Parcel No. 2, Koley Black Lease No. 8667	8,554.72	8,440.66
DUP C6-C-424	Parcel No. 3, (Sometimes known as Parcel Nos. 4 & 3) Koley Black Lease No. 8667 Parcel Nos. 1 & 2, Koley Black Permit No. 239 Parcel No. 2, Henry Phillips Permit No. 93	10,000.00	6,019.81

C O P Y

See DUP C6-C-149

C O P Y

August 20, 1956

<u>Cert. No.</u>	<u>Description of Unit</u>	<u>Lbs. orig. cert. eligible</u>	<u>Eligible balance as of 7-20-56</u>
DUP C6-C-483	Parcel No. 1 Tom Joe Permit No. 57	10,000.00	None
1/ DUP C6-C-606 as amended	Parcel Nos. 3,4,&5 Henry Phillips Permit No. 93	10,000.00	10,000.00
2/ DUP C6-C-773	Parcel No. 1 Dan Phillips Estate, Permit No. 150 Parcel Nos. 1,2,3,4,&5 David Phillips, Permit No. 21	10,000.00	10,000.00
3/ Ineligible Unit	Parcel No. 1 Koley Black Permit No. 8667 Parcel Nos. 2 & 3, Dan Phillips Estate Permit No. 150	0.00	0.00

1/ This unit was originally certified on October 12, 1955, to consist of Parcel Nos. 4 & 5, Henry Phillips Permit No. 93; Parcel No. 1, David Phillips Permit No. 21; and Parcel No. 1, Dan Phillips Estate, Permit No. 150. The action hereby being taken amends the unit as shown above.

2/ This is a new unit not previously certified. Parcel No. 1, Dan Phillips Estate, Permit No. 150 and Parcel No. 1, David Phillips Permit were prior to this action, included in the unit certified under D.U.P. C6-C-606.

3/ This is a unit considered to be ineligible for certification because it produced in excess of 10,000 pounds of U3O8 between April 9, 1948 and February 28, 1951.

Your attention is invited to paragraph (h) of Circular 6 which points that the Commissions decision on these matters is final. This is intended to be our final decision with respect to these tracts, except that the units may be amended to include new tracts.

Enclosed herewith are several "Application for Bonus Payment" forms for your use in applying for bonus.

Very truly yours,

R. H. Toole, Chief
Leasing & Development Branch
Mining Division

C O P Y

See DUP C6-C-149

C O P Y

R. H. Toole, Chief
Leasing and Development Branch
Mining Division, GJ
John X. Combo, Attorney, GJ

August 9, 1956

APPLICATION FOR CERTIFICATION OF TRACTS CONTROLLED BY
KERR-McGEE IN LUKACHUKAI MOUNTAINS (APPLICATIONS NOS.
1337, 1338, 1339 and 1340)

SYMBOL: AGC:JXC

On the basis of the engineers' reports there appears to be no legal objection to amendment, certification, and denial of certification of the Kerr-McGee tracts as summarized in the memorandum dated June 20, 1956, from Don R. Hill. The letter to Kerr-McGee should carefully point out that no additional pounds of U_3O_8 are eligible other than as originally indicated for the certifications which are being amended.

Attachment:

1. Engineers' reports (w/attachments)

cc: Finance Division, GJ

OFFICE ▶

AGC

Combo

SURNAME ▶

JXCCombo:kc

DATE ▶

8/9/56

MD:DRH

March 7, 1956

Taylor

Kerr-McGee Oil Industries, Inc.
Navajo Uranium Division
P. O. Box 608
Shiprock, New Mexico

Re: APPLICATIONS FOR CERTIFICATION OF NOS. 1337, 1338, 1339 & 1340

Gentlemen:

Reference is made to your letter dated February 28, 1956, which stated that you would like to withdraw Application Nos. 948, 997 and 1035 and in lieu thereof are submitting four new applications.

Application Nos. 948, 997 and 1035 are not considered to be pending applications since action has been taken by the Commission in accordance with our letters of October 12, 1955, and October 13, 1955, notifying you of the issuance of Certification No. D.U.P. C6-C-424. The new applications will be treated as requests to reconsider the above mentioned actions. They have been assigned the following numbers:

- No. 1337 - Parcels 1, 2, 3, 4 & 5, David Phillips
Tribal Mining Permit No. 21
- No. 1338 - Parcels 1 and 2, Koley Black,
Tribal Mining Permit No. 239
- No. 1339 - Parcels 1, 2 and 3, Dan Phillips, Estate
Tribal Mining Permit No. 150
- No. 1340 - Parcels 2, 3, 4 and 5, Henry Phillips
Tribal Mining Permit No. 93

As soon as our work load permits, one of our examining engineers will contact you to arrange for a meeting on the ground to discuss this matter.

Very truly yours,

R. H. Toole, Chief
Leasing and Development Branch
Mining Division

KERR-MCGEE OIL INDUSTRIES, INC.

NAVAJO URANIUM DIVISION

P. O. BOX 608, SHIPROCK, NEW MEXICO

February 28, 1956

U. S. Atomic Energy Commission
Grand Junction Operations Office
Mining Division
Grand Junction, Colorado

Attn: Mr. R. H. Toole

Gentlemen:

The enclosed application for certification is hereby submitted on property described as Parcels 1 and 2, Koley Black Mining Permit No. 239, containing 302.11 acres, located in Apache County, Arizona.

In connection with this application, the following data is submitted:

- (a) First production from this property was in March, 1955. The enclosed application is the initial request for certification of this property.
- (b) There are two known ore bodies on this property and 6,787 lbs. of contained U_3O_8 has been mined from ore body No. 1 shown on the attached map. This mine is now shut down awaiting further drilling. Ore body No. 2 is not considered commercial and awaits further drilling.
- (c) The known ore bodies on this permit are not contiguous with ore on any other permit and sufficient drilling has been done to indicate that any additional ore developed will require separate mine workings.
- (d) This company has completed 3351 ft. of drill hole and built 9,350 ft. of road on the property. It would not be possible at this time to estimate the amount of additional drilling needed. Drilling has only been done on rim exposures and the greater portion of the property will require such deep drilling that it will be a matter of economics to determine how far we can go for the small ore bodies that this country apparently has. The Commission's favorable action on this application will certainly be an important factor in the future development of this property.

Yours very truly,

KERR-MCGEE OIL INDUSTRIES, INC.
Navajo Uranium Division

M. F. Bolton
M. F. Bolton, Mgr. Mining & Exploration

MFb:eg

KERMAC

U. S. ATOMIC ENERGY COMMISSION

APPLICATION FOR CERTIFICATION OF MINING PROPERTY

In accordance with Atomic Energy Commission Domestic Uranium Program Circular 6
(Assistance in filling out this form will be available at the U. S. Atomic
Energy Commission's office in Grand Junction, Colo.)

1338

Name of applicant Kerr-McGee Oil Industries, Inc. AEC License No. P-1152

Address P. O. Box 608, Shiprock, New Mexico

I hereby request that the following described mining property be certified as eligible for bonus payments under Domestic Uranium Circular 6.

1. Name of mining property Parcels 1 and 2, Koley Black, Tribal Mining Permit No. 239

2. Name of owner Kerr-McGee Oil Industries, Inc. (Corporation)
(Indicate whether Corporation, Partnership, Individual)

3. Interest of applicant Assignee
(Owner or Lessee—if other, specify)

4. Description of mining property: (If more space is required use blank space below.) See Attached

a. Mining district South Lukachukai, Apache County, Arizona

b. Size of property 302.11 acres

c. Number and names of claims included in this property Above described

d. Property is of public record as follows:

[illegible]

e. Title to property is patented or unpatented? (State which.) Neither - Mining Permit on Navajo Tribal Lands

f. Description of location of property for verification by mining branch of Colorado Raw Materials Office, Atomic Energy Commission.

Near Cove Day School, Lukachukai Mountains

5. Ore accepted by commission ore-buying stations or qualified uranium mills (or any other uranium ore processing plants) from property between April 9, 1948 and February 28, 1951 inclusive: **None**

[illegible]

February 28, 1956
(Date)

by: M. J. Bolton
(Signature of applicant)

(When completed mail to U. S. Atomic Energy Commission, Colorado Raw Materials Office, P. O. Box 270, Grand Junction, Colo.)

SPACE BELOW FOR USE BY APPLICANT, IF NECESSARY

APR 1 9 11 1953

May 1, 1954

KOLEY BLACK
Mining Permit No. 239
Upper Flag and Bare Rock Mesas
Parcel No. 1

Beginning at corner No. 1, a 2" iron pipe driven in the ground whose coordinates are N 96,661.07 E 201,823.51 which is also corner No. 3 parcel No. 4 David Phillips mining permit No. 21; whence Luke, a U.S.G.S. triangulation station bears N 72° 44' 59" E 11,859.50'; thence N 33° 59' 00" W 6296.0' to corner No. 2, a 2" iron pipe driven in the ground whose coordinates are N 101,799.40 E 198,359.49 which is also corners No. 1, parcels 2-3 & 4 Henry Phillips mining permit No. 93; thence S 34° 29' 56" W 2274.0' to corner No. 3, a 2" iron pipe driven in the ground whose coordinates are N 99,925.33 E 197,071.43 which is also corner No. 3, parcel No. 3 Koley Black Lense No. 8667 Flag Mesa; thence S 55° 31' 00" W 5765.0' to corner No. 1 and point of beginning containing 147.38 acres located in Apache County, Arizona. All bearings, distances, and coordinates are based on U.S. A.S.C. data as established by U.S. Coast and Geodetic Survey.

May 1, 1954

KOLEY BLACK
Mining Permit No. 239
Upper Flag and Bare Rock Mesas
Parcel No. 2

Beginning at corner No. 1, a 2" iron pipe driven in the ground whose coordinates are N 96,661.07 E 201,823.51; whence Luka, a U.S.G.S. triangulation station bears N $72^{\circ} 44' 59''$ E 11,859.50; thence N $55^{\circ} 31' 00''$ W 5765.0' to corner No. 2, a 2" iron pipe driven in the ground whose coordinates are N 99,925.33 E 197,071.48 which is also corner No. 3, parcel No. 3 Koley Black Lease No. 8667, Flag Mesa; thence S $33^{\circ} 38' 00''$ E 6108.0' to corner No. 3, a 2" iron pipe driven in the ground whose coordinates are N 94,840.30 E 200,454.37 which is also common with corner No. 2, parcel No. 4 Koley Black lease No. 8667; thence N $36^{\circ} 56' 00''$ E 2279.0' to corner No. 1 and point of beginning containing 154.73 acres located in Apache County, Arizona. All bearings, distances, and coordinates are based on U.S. A.B.C. data as established by U.S. Coast and Geodetic Survey.

VERIFICATION OF PRODUCTION RECORD
APPLICATION FOR CERTIFICATION

Application No. 1338

Name of Mining Property: Parcel 1 & 2, Koley Black Mining
Permit #239

Name of Applicant: Herr-McGee Oil Industries Inc.

1. There (~~is~~) (is not) a record of production for the period April 9, 1948 through February 28, 1951.

Shipper	Name of Mine	District	County	State	Purch. Depot	Date	Ore Dry Tons	U308 Pounds

Shipments to Shattuck Chemical Co., Denver, Colorado

Name of Shipper	Date	Pounds U308

Total Pounds U308 _____

2. There (has) (~~has not~~) been production from this property for the period March 1, 1951 through the month of January, 1956. from Koley Black and Koley Black #1 claims.

Delbert B. Hutto
Delbert B. Hutto, Auditor

Production checked by ASST.

Date forwarded to Mining Division 3/6/56.

MD:DRH

March 7, 1956

Kerr-McGee Oil Industries, Inc.
Navajo Uranium Division
P. O. Box 608
Shiprock, New Mexico

Re: APPLICATIONS FOR CERTIFICATION OF NOS. 1337, 1338, 1339 & 1340

Gentlemen:

Reference is made to your letter dated February 28, 1956, which stated that you would like to withdraw Application Nos. 948, 997 and 1035 and in lieu thereof are submitting four new applications.

Application Nos. 948, 997 and 1035 are not considered to be pending applications since action has been taken by the Commission in accordance with our letters of October 12, 1955, and October 13, 1955, notifying you of the issuance of Certification No. D.U.P. C6-C-606 and amendment to Certification No. D.U.P. C6-C-424. The new applications will be treated as requests to reconsider the above mentioned actions. They have been assigned the following numbers:

- No. 1337 - Parcels 1, 2, 3, 4 & 5, David Phillips
Tribal Mining Permit No. 21
- No. 1338 - Parcels 1 and 2, Koley Black
Tribal Mining Permit No. 239
- No. 1339 - Parcels 1, 2 and 3, Dan Phillips, Estate
Tribal Mining Permit No. 150
- No. 1340 - Parcels 2, 3, 4 and 5, Henry Phillips
Tribal Mining Permit No. 93

As soon as our work load permits, one of our examining engineers will contact you to arrange for a meeting on the ground to discuss this matter.

Very truly yours,

R. H. Toole, Chief
Leasing and Development Branch
Mining Division

MD

MD

Hill:vr

Toole

3/7/56

MD:ASJT

February 1, 1956

Kerr-McGee Oil Industries, Inc.
Box 608
Shiprock, New Mexico

424, PAUL & KOLEY BLACK PERMIT

Gentlemen:

12

12

October 19, 1955

Symbol: FD:EH

Kerr-McGee Oil Industries, Inc.
Navajo Uranium Division
P. O. Box 608
Shiprock, New Mexico

Subject: Application for Bonus Payment - D.U.P. C6-C-424

Gentlemen:

Reference is made to our letter of certification amendment dated October 13, 1955 and to your application for bonus payment dated July 28, 1955 in the amount of \$20,830.70 covering shipments of ore from the Flag Mesa property and to our letters of August 3 and August 16, 1955.

In accordance with the letter of certification amendment it will be necessary that you refer to our letter of August 3 in which shipments are set out from the West portion of Flag Mesa and now have been included under D.U.P. C6-C-424. Therefore, your application for bonus payment, which is being returned to you, will necessarily have to be revised.

Upon the submission of this revised application for bonus payment this office will make every effort to process it for payment promptly.

For your convenience we are enclosing two blank sets of forms to be used in the resubmission of this application.

Very truly yours,

R. H. Toole, Chief
Leasing and Development Branch
Mining Division

Enclosures:
As above

OFFICE ▶	Accounting	Accounting	Accounting	Mining		
SURNAME ▶	<i>Westbrook</i>	<i>Westbrook</i>	<i>Scott</i>	<i>Toole</i>		
DATE ▶	10-19-55	10/19		10/20/55		

KERR-McGEE OIL INDUSTRIES, INC.

NAVAJO URANIUM DIVISION

P. O. BOX 608, SHIPROCK, NEW MEXICO

August 10, 1955

U. S. Atomic Energy Commission
Grand Junction Operations Office
Grand Junction, Colorado

Attention: Mr. Robert W. Scott, Chief
Accounting Branch

Gentlemen:

Re; FD:DH Application for Bonus Payment
D. U. P. C6-C-424

Reference is made to your letter dated August 3, 1955,
concerning bonus payment on the above-captioned certification.

The above stated certification covers a 320 acre parcel
known as Koley Black Lease 8667, Parcel #3. Your letter states that
ore shipments covered by Kerr-McGee Liquidation No. 67 produced from
the Black No. 1 is not included under certification D. U. P. C6-C-424.
It has always been my thought that the certification covered the entire
lease parcel rather than an individual mine.

The Black No. 1 and Flag Mesa No. 1 are separate mines
located on the property certified as D. U. P. C6-C-424.

I am returning with this letter our application for bonus
payment and trust that the above information will enable you to
process the application.

Yours very truly,

KERR-McGEE OIL INDUSTRIES, INC.
Navajo Uranium Division

M. F. Bolton

M. F. Bolton
Manager, Mining and Exploration

MFB:eg
Enc. (1)

KERRMAC

fin

KERR-MCGEE OIL INDUSTRIES, INC.

NAVAJO URANIUM DIVISION

P. O. BOX 608, SHIPROCK, NEW MEXICO

September 1, 1955

United States Atomic Energy Commission
Grand Junction Operations Office
Grand Junction, Colorado

Gentlemen:

Re: FD: DH
Subject: Application for Bonus Payment
D. U. P C6-C-424

Reference is made to the correspondence we have had with your office concerning the abovementioned certification.

Your letter of August 16, 1955, states shipments were made from our Flag Mesa No. 1 Mine that were not included in our application for payment. Your letter of August 3, 1955, lists the various liquidation numbers.

I wish to again advise that the shipments listed on our application dated July 28, 1955, all originated from the property certified under D. U. P. C6-C-424 and all shipments from the property are covered in the application.

Apparently, the confusion exists in the fact that the mesa known as Flag Mesa is split by a lease line. The East side of the Mesa is covered by Koley Black, Lease No. 8667, Parcel No. 3, a 320 acre lease that is covered in its entirety by certification No. D. U. P. C6-C-424. The West side of Flag Mesa is covered by Henry Phillips' Mining Permit No. 93, Parcel No. 2. Application for certification dated October 21, 1954, on this property is now pending in your office. The liquidation numbers listed in your letter of August 3, 1955, cover shipments made from the Henry No. 1 Mine, Mining Permit No. 93 and are not covered by D. U. P. C6-C-424.

We are returning our original application and trust that the above information will enable you to place our application in line for payment.

Yours very truly,

KERR-MCGEE OIL INDUSTRIES, INC.
Navajo Uranium Division



M. F. Bolton
Manager, Mining and Exploration

MFB:eg
CC: Geo. H. Snyder

KERMAC

MD:DRH

October 13, 1955

Kerr-McGee Oil Industries, Inc.
Navajo Uranium Division
P. O. Box 608
Shiprock, New Mexico

["RETURN TO MINING DIVISION"]

Re: AMENDMENT OF D.U.P. C6-C-424 SHIPROCK MINING DISTRICT
APACHE COUNTY, ARIZONA (APPLICATION NOS. 670 & 948)

Gentlemen:

Reference is made to your application dated October 21, 1954, requesting certification of Parcel No. 2, Navajo Tribal Mining Permit No. 93 as eligible to receive bonus under the provisions of Domestic Uranium Program Circular 6. The application has been reviewed by this office and the following observations made:

1. Parcel No. 2, Permit No. 93 is contiguous with Koley Black Lease #8667 certified as eligible to receive bonus under certification No. D.U.P. C6-C-424.
2. Production from Parcel No. 2, Permit No. 93 comes from workings connected with other workings on the adjacent certified tract.
3. Parcel Nos. 1 & 2, Koley Black Permit No. 239 is also contiguous with the unit certified under D.U.P. C6-C-424.
4. Access and drill roads traverse the area and general access on the tracts mentioned above are essentially the same.

Hence, it is our conclusion that normal expansion of operations has extended the limits of the original unit so that certification number D.U.P. C6-C-424 is hereby amended to include the following described property:

OFFICE ▶	MD	MD	MD	MD		
SURNAME ▶	Hill:bem <i>Hill</i>	Baker <i>Baker</i>	Youngberg <i>Youngberg</i>	Toole <i>Toole</i>		
DATE ▶	10/13/55	10/13/55	10/14/55	10/17/55		

October 13, 1955

Parcel No. 2 - Navajo Tribal Mining Permit No. 93

Beginning at triangulation point Flag, a U.S.A.E.C. station, whose coordinates are N 98,384.21 E 196,012.29, which is also the southwest corner Koley Black's lease Flag Mesa, Parcel No. 3; thence N 34° 29' 56" E 4144.0' along the west boundary of Koley Black's Parcel 3, Flag Mesa Lease and Koley Black's permit on upper Flag and Bare Rock Mesas to corner No. 1, a 2" iron pipe driven in the ground, whose coordinates are N 101,799.40 E 198,359.49; whence Luka, a U.S.G.S. triangulation station bears S 83° 45' 00" E 14,879.0'; thence S 79° 44' 00" W 4346.0' to corner No. 2, a 2" iron pipe driven in the ground whose coordinates are N 101,024.41 E 194,082.01, which is also corner No. 5 of Henry Phillips' Parcel No. 3; thence S 36° 45' 00" W 2455.0' to corner No. 3, whose coordinates are N 99,057.31 E 192,613.78; thence S 06° 30' 00" E 1070.0' to triangulation point Step and corner No. 4, whose coordinates are N 97,994.19 E 192,734.90; thence N 06° 30' 00" E 1220.0' to corner No. 5 whose coordinates are N 99,206.35 E 192,873.00; thence S 69° 00' 00" E 1040.0' to corner No. 6 whose coordinates are N 98,833.65 E 193,843.92; thence N 27° 45' 00" E 1065.0' to corner No. 7; thence S 53° 15' 00" E 985.0' to corner No. 8 whose coordinates are N 99,186.81 E 195,129.02; thence N 17° 30' 00" E 1960.0' to corner No. 9 whose coordinates are N 101,056.10 E 195,718.41; thence S 46° 30' 11" E 400.0' to corner No. 10 whose coordinates are N 100,780.76 E 196,008.56; thence S 09° 15' 00" E 885.0' to corner No. 11 whose coordinates are N 99,907.26 E 196,150.81; thence N 63° 00' 00" E 945.0' to corner No. 12; thence S 24° 00' 00" W 240.0' to corner No. 13; thence S 41° 30' 00" W 930.0' to corner No. 14 whose coordinates are N 99,420.50 E 196,278.95; thence S 19° 00' 00" W 810.0' to corner No. 15; thence S 00° 37' 00" W 270.0' to triangulation point Flag and point of beginning, containing 160.0 acres located in Apache County, Arizona. All bearings, distances, and coordinates are based on U.S.A.E.C. data as established by U.S. Geologic Survey.

Parcel No. 1 - Navajo Tribal Mining Permit No. 239

Beginning at corner No. 1, a 2" iron pipe driven in the ground whose coordinates are N 96,661.07 E 201,823.51 which is also corner No. 3, Parcel No. 4 David Phillips mining permit No. 21; whence Luka, a U.S.G.S. triangulation

October 13, 1955

station bears N 72° 44' 59" E 11,859.50'; thence N 33° 59' 00" W 6196.0' to corner No. 2, a 2" iron pipe driven in the ground whose coordinates are N 101,799.40 E 198,359.49 which is also corners No. 1, parcels 2, 3 & 4 Henry Phillips mining permit No. 93; thence S 34° 39' 56" W 2274.0' to corner No. 3, a 2" iron pipe driven in the ground whose coordinates are N 99,925.33 E 197,071.48 which is also corner No. 3, parcel No. 3 Koley Black Lease No. 8667 Flag Mesa; thence S 55° 31' 00" E 5765.0' to corner No. 1 and point of beginning containing 147.38 acres located in Apache County, Arizona. All bearings, distances, and coordinates are based on U.S.A.E.C. data as established by U.S. Coast and Geodetic Survey.

Parcel No. 2 - Navajo Tribal Mining Permit No. 239

Beginning at corner No. 1, a 2" iron pipe driven in the ground whose coordinates are N 96,661.07 E 201,823.51; whence Luka, a U.S.G.S. triangulation station bears N 72° 44' 59" E 11,859.50; thence N 55° 31' 00" W 5765.0' to corner No. 2, a 2" iron pipe driven in the ground whose coordinates are N 99,925.33 E 197,071.48 which is also corner No. 3, parcel No. 3 Koley Black Lease No. 8667, Flag Mesa; thence S 33° 38' 00" E 6108.9' to corner No. 3, a 2" iron pipe driven in the ground whose coordinates are N 94,840.30 E 200,454.37 which is also common with corner No. 2, parcel No. 4, Koley Black Lease No. 8667; thence N 36° 56' 00" E 2279.0' to corner No. 1 and point of beginning containing 154.73 acres located in Apache County, Arizona. All bearings, distances, and coordinates are based on U.S.A.E.C. data as established by U.S. Coast and Geodetic Survey.

Navajo Tribal Mining Lease No. 8667 (Koley Black)

Beginning at the SW corner of Parcel No. 3, whose geographical coordinates are Latitude 36° 29' 55.69" N, and Longitude 109° 15' 19.30" W of Greenwich; thence S 23° 56' 48" E, a distance of 6572.2 feet to the SE corner; thence N 36° 15' 38" E, a distance of 3040 feet to the NE corner; thence N 33° 45' 32" W, a distance of 6130 feet to the NW corner; thence S 34° 29' 56" W, a distance of 1870 feet to the point of beginning, containing 320 acres, more or less.

The above property is situated in approximate unsurveyed Sections 20, 21, 28, 29, 30, 32 & 33, T. 36 N., R. 29 E.,

October 13, 1955

B. & S.R.B&M, Navajo Indian Reservation, Shiprock Mining District, Apache County, Arizona.

Originally the unit certified under D.U.P. C6-C-424 was eligible to receive bonus on 10,000 pounds of U_3O_8 when contained in ores delivered to a qualified mill or Commission ore-buying station between March 1, 1951, and February 28, 1957, inclusive. Our records show that, as of the date of this letter, bonus has been paid on 3980.19 pounds of U_3O_8 ; hence the amended unit has a balance of 6,019.81 pounds of U_3O_8 eligible to receive bonus.

Very truly yours,

R. H. Toole, Chief
Leasing & Development Branch
Mining Division

Enclosure:
AEC-300

Bureau of Indian Affairs
cc: Navajo Indian Reservation
Window Rock, Arizona

Ingles M. Gay --Grants, New Mex.

D.B.Hutto - ED
Taylor & Brown

R. H. Toole, Chief, Leasing and
Development Branch, Mining Division, GJ

October 11, 1955

John X. Combo, Attorney, GJ

AMENDMENT OF CERTIFICATION OF PARCEL NO. 3 - KOLEY BLACK
LEASE 8667 (C-424) TO INCLUDE PARCELS 2 - HENRY PHILLIPS
PERMIT NO. 93 AND PARCELS 1 AND 2 - KOLEY BLACK PERMIT NO.
239, SHIPROCK MINING DISTRICT, LUKACHUKAI MOUNTAINS LOCALITY,
APACHE COUNTY, ARIZONA. (APPLICATION NO. 948)

Symbol: OC:JXC

On the basis of the engineer's report, there appears to be
no legal objection to amendment of certificate 424 so as
to include the additional properties in said report.

CC: Finance

Attachment:

Engineer's report w/attachment

OFFICE ▶	OC					
SURNAME ▶	Combo: JP					
DATE ▶	10/11/55					

RHS 9/13/55

Office Memorandum • UNITED STATES GOVERNMENT

TO : R. H. Toole, Chief, Leasing & Development Branch
Grand Junction Operations Office

FROM : Robert W. Scott, Chief, Accounting Branch
Grand Junction Operations Office

SUBJECT: PRODUCTION DURING PERIOD APRIL 9, 1948 THRU FEBRUARY 28, 1951

Symbol: FD:DH

A review of the production records indicate that there has been no production, during the period April 9, 1948 thru February 28, 1951, from the Navajo Indian land described below:

Parcel 3 - Henry Phillips - Permit No. 93
Parcel 1 & 2 - Koley Black - Permit No. 239
Parcel 4 - Henry Phillips - Permit No. 93
Parcel 1 - David Phillips - Permit No. 21.



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

RESOURCES
Realty

Navajo Agency
Window Rock, Arizona
August 11, 1955

min

Mr. J. F. Brown
Mining Division
Atomic Energy Commission
Grand Junction, Colorado

Dear Mr. Brown:

Pursuant to your telephonic request of yesterday, I am enclosing herewith our file copies of Tribal Mining Permits #21, 150 and 239, together with Assignment of Mining Permits 150 and 239 of Kerr-McGee Oil Industries Inc. There is no Assignment at this time on the Mining Permit #21.

Please return these documents to this office as soon as possible.

Very truly yours,


M. D. Long
Chief, Branch of Realty

Enclosures

MD:JFB

July 6, 1955

"RETURN TO MINING DIVISION"

Mr. M. F. Bolton, Manager
Mining and Exploration
Navajo Uranium Division
Kerr-McCee Oil Industries, Inc.
P. O. Box 608
Shiprock, New Mexico

Re: APPLICATION FOR CERTIFICATION OF THE PARCEL NO. 2,
PERMIT NO. 93. (APPLICATION NO. 948)

Dear Mr. Bolton:

Please find enclosed the photostatic copies of Henry Phillips' Mining Permit No. 93 and Assignment borrowed by our engineer from your office.

We wish to thank you for loaning these documents to this office.

Very truly yours,

R. H. Toole, Chief
Leasing and Development Branch
Mining Division

Enclosure:
Permit No. 93
Assignment

28-2

	MD	MD	MD			
OFFICE ▶	REGISTERED MAIL	<i>[Signature]</i>	<i>[Signature]</i>			
SURNAME ▶	Brown:sp	Hill	Toole			
DATE ▶	7/6/55	7/6/55	7/6/55			

KERR-McGEE OIL INDUSTRIES, INC.

NAVAJO URANIUM DIVISION

P. O. BOX 608, SHIPROCK, NEW MEXICO

July 1, 1955

min
Mr. Elton A. Youngberg
Director, Mining Division
U. S. Atomic Energy Commission
Box 270
Grand Junction, Colorado

Dear Mr. Youngberg,

Under date of January 13th, 1955, a Mr. Brown of your office borrowed from our office a photostatic copy of Henry Phillips' Mining Permit, #93, and also a photostatic copy of an assignment of Henry Phillips to Kerr McGee Oil Industries, Inc.

Mr. Brown was to use these in connection with the bonus application and was to return the copies to this office. In checking our files, I find that the copies have not been returned at this date and I will appreciate your cooperation in having these papers returned to this office.

Yours very truly,

KERR-McGEE OIL INDUSTRIES, INC.
Navajo Uranium Division

M. F. Bolton
eg

M. F. Bolton
Manager, Mining and Exploration

MFB:eg

MD:JFB

March 15, 1955

["RETURN TO MINING DIVISION"]

Mr. M. F. Bolton
Assistant General Superintendent
Navajo Uranium Division
Kerr-McGee Oil Industries, Inc.
P.O. Box 608
Shiprock, New Mexico

Re: APPLICATION FOR CERTIFICATION OF THE PARCEL #2-
PERMIT #93 (APPLICATION NO. 948); HENRY PHILLIPS-
MESA #3 (APPLICATION NO. 997) AND PARCEL #1-PERMIT
#150 (APPLICATION NO. 1035).

Dear Mr. Bolton:

This is to inform you that I shall be in Cove School,
Arizona, on Wednesday, March 30, 1955, to meet either
you or your representative at 8:00 a.m., at Navajo
Uranium Field Office. Please plan to accompany me
to the property for the purpose of examination in
connection with the subject Application for Certification.

I shall not examine your property at this time if
neither you nor your representative are able to keep
this appointment. Please inform me if it does not fit
your schedule.

Since I must plan my work well in advance, it would
be several weeks before I could re-schedule another
examination.

Very truly yours,

J. F. Brown, Mining Engineer
Mining Division

OFFICE ▶	MD J. F. Brown:bm	MD Toole				
SURNAME ▶						
DATE ▶	3/15/55	3/15/55				

MD:JFB

November 26, 1954

Navajo Uranium Division
Kerr-McGee Oil Industries, Inc.
P. O. Box 608
Shiprock, New Mexico

"RETURN TO MINING DIVISION"

Re: CERTIFICATION OF PARCEL #2, MINING PERMIT #99, APPLICATION NO. 948

Gentlemen:

I will meet you or your representative at 9:00 a.m., Thursday, December 9, 1954, at Mine Office, Navajo Uranium Company, Lukachukai Mountains, Arizona, to accompany him to the property for the purposes of an examination in connection with the subject application for certification.

I will not examine your property if you or your representative are unable to keep this appointment. Since I must plan my work in advance, it would be several weeks before I could reschedule another examination.

Very truly yours,

J. F. Brown, Mining Engineer
Leasing and Development Branch
Mining Division

OFFICE ▶	MD					
SURNAME ▶	Brown: sp JFB					
DATE ▶	11/26/54					

U. S. ATOMIC ENERGY COMMISSION

APPLICATION FOR CERTIFICATION OF MINING PROPERTY

In accordance with Atomic Energy Commission Domestic Uranium Program Circular 6
(Assistance in filling out this form will be available at the U. S. Atomic
Energy Commission's office in Grand Junction, Colo.)

Name of applicant Navajo Uranium Division of Kerr-McGee Oil Industries, Inc. AEC License No. P-1152

Address Post Office Box 608, Shiprock, New Mexico

I hereby request that the following described mining property be certified as eligible for bonus payments under Domestic Uranium Circular 6.

1. Name of mining property Parcel No. 2, Navajo Tribal Mining Permit No. 93 (Henry Phillips)
2. Name of owner Navajo Uranium Division of Kerr-McGee Oil Industries, Inc. (Corporation)
(Indicate whether Corporation, Partnership, Individual)
3. Interest of applicant Assignee
(Owner or Lessee—if other, specify)
4. Description of mining property: (If more space is required use blank space below.)

- a. Mining district Lukachukai Mountains, Apache County, Arizona
b. Size of property 160 Acres
c. Number and names of claims included in this property Parcel No. 2, Navajo Tribal Mining Permit No. 93 (Henry Phillips, Permittee).
d. Property is of public record as follows:

[illegible]

- Neither - Mining permit from Dept. of Interior on Navajo Tribal Lands.
- e. Title to property is patented or unpatented? (State which.)
- f. Description of location of property for verification by mining branch of Colorado Raw Materials Office, Atomic Energy Commission.

Lukachukai Mountains, Apache County, Arizona - Near Cove Day School
(See attached map and legal description)

5. Ore accepted by commission ore-buying stations or qualified uranium mills (or any other uranium ore processing plants) from property between April 9, 1948 and February 28, 1951 inclusive: None

[illegible]

I certify to the best of my knowledge that (1) the statements in this application are true and that (2) the total quantity of uranium oxide as contained in ore accepted by commission ore-buying stations or qualified uranium mills (or any other uranium ore processing plants) from the above described property between April 9, 1948 and February 28, 1951 inclusive, is less than 10,000 pounds.

October 21, 1954
(Date)

Assistant General Superintendent

Misrepresentations or false statements in the application may subject the applicant to criminal penalties, under provisions of the United States Code including section 1001 of title 18. Any such offense may also disqualify the offender from receiving bonus payments.

(When completed mail to U. S. Atomic Energy Commission, Colorado Raw Materials Office, P. O. Box 270, Grand Junction, Colo.)

16-67545-1 U. S. GOVERNMENT PRINTING OFFICE

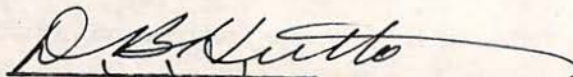
SPACE BELOW FOR USE BY APPLICANT, IF NECESSARY



Applicant's name and AEC license number, name of mining property (Item 1), and data listed under Item 5 are in accordance with CRMO Finance Branch records, except:

NOV 1 1954

1. There is a record of License No. P-1152 issued to Navajo Uranium Division of Kerr-McGee Oil Ind. , Inc. for U. S. Dept. of Interior Ind. #8666 & #8667.
2. There is no record of production between April 9, 1948 thru Feb. 28, 1951.
3. There has not been production from this property for the period March 1, 1951 thru the month of August 1954.


D. B. Hutto, Auditor

May 1, 1954

HENRY PHILLIPS
Mining Permit No. 93
Parcel No. 2

Beginning at triangulation point Flag, a U.S. A.E.C. Station, whose coordinates are N 98,384.21 E 196,012.29, which is also the Southwest corner Koley Black's lease Flag Mesa, parcel No. 3; thence N $34^{\circ} 29' 56''$ E 414.0' along the west boundary of Koley Black's parcel 3, Flag Mesa Lease and Koley Black's permit on upper Flag and Bare Rock Mesas to corner No. 1, a 2" iron pipe driven in the ground, whose coordinates are N 101,799.40 E 198,359.49; whence Luka, a U.S.G.S. triangulation station bears S $83^{\circ} 45' 00''$ E 14,879.0'; thence S $79^{\circ} 44' 00''$ W 4346.0' to corner No. 2, a 2" iron pipe driven in the ground whose coordinates are N 101,024.41 E 194,082.01, which is also corner No. 5 of Henry Phillips' parcel No. 3; thence S $36^{\circ} 45' 00''$ W 2455.0' to corner No. 3, whose coordinates are N 99,057.31 E 192,613.78; thence S $06^{\circ} 30' 00''$ E 1070.0' to triangulation point step and corner No. 4, whose coordinates are N 97,994.19 E 192,734.90; thence N $06^{\circ} 30' 00''$ E 1220.0' to corner No. 5 whose coordinates are N 99,206.35 E 192,873.00; thence S $69^{\circ} 00' 00''$ E 1040.0' to corner No. 6 whose coordinates are N 98,833.65 E 193,843.92; thence N $27^{\circ} 45' 00''$ E 1065.0' to corner No. 7; thence S $53^{\circ} 15' 00''$ E 985.0' to corner No. 8 whose coordinates are N 99,186.81 E 195,129.02; thence N $17^{\circ} 30' 00''$ E 1960.0' to corner No. 9 whose coordinates are N 101,056.10 E 195,718.41; thence S $46^{\circ} 30' 11''$ E 400.0' to corner No. 10 whose coordinates are N 100,780.76 E 196,008.56; thence S $09^{\circ} 15' 00''$ E 885.0' to corner No. 11 whose coordinates are N 99,907.26 E 196,150.81; thence N $63^{\circ} 00' 00''$ E 945.0' to corner No. 12; thence S $24^{\circ} 00' 00''$ W 240.0' to corner No. 13; thence S $41^{\circ} 30' 00''$ W 930.0' to corner No. 14 whose coordinates are N 99,420.50 E 196,278.95; thence S $19^{\circ} 00' 00''$ W 810.0' to corner No. 15; thence S $00^{\circ} 37' 00''$ W 270.0' to triangulation point flag and point of beginning, containing 160.0 acres located in Apache County, Arizona. All bearings, distances, and coordinates are based on U.S. A.E.C. data as established by U.S. Geologic Survey.

DESCRIPTION

DAN PHILLIPS LEASE #8666 - PARCEL NO. 1
(Commonly called South part of Mesa 2 and Mesa No. 2½)

Beginning at the Northeast corner of Parcel No. 1 which is the Southeast corner of Mesa No. 2, north part; thence N 88° W, a distance of 1321 feet; thence, due South a distance of 2095 feet; thence, due West a distance of 666 feet; thence, due North a distance of 2200 feet; thence, due West a distance of 334 feet; thence, S 37°-15' W a distance of 3900 feet; thence, due East a distance of 5100 feet; thence, due North a distance of 2000 feet; thence, N 24°-10' W a distance of 1050' to the point of beginning, containing 200 acres more or less, as surveyed by Thomas L. Tripp, Engineer, in September, 1950.

DAN PHILLIPS LEASE #8666 - PARCEL NO. 2
(Commonly called Mesa No. 4)

Beginning at the Northeast corner of Parcel No. 2 which is marked by a pruned pine tree whose geographical co-ordinates are Latitude 36°-32'-03."94 North and Longitude 109°-14'-14."08 West of Greenwich. Luka, a U.S. Geological Survey Triangulation Station (Latitude 36°-30'-13."42 North, Longitude 109°-11'-49."42 West) bears S 46°-35'-05"E a distance of 16,259.7 feet from the point of beginning; thence, N 53° W a distance of 500 feet; thence, S 37° W a distance of 6800 feet; thence, S 53° E a distance of 1520 feet; thence, N 37° E a distance of 3439 feet; thence, N 20° E a distance of 3480 feet to the point of beginning, containing 198 acres more or less, as surveyed by Thomas L. Tripp, Engineer, in September, 1950.

DAN PHILLIPS LEASE #8666 - PARCEL NO. 3
(Commonly called Mesa No. 5)

Beginning at the Northeast corner on Parcel No. 3, a point marked by a pruned pine tree whose geographical co-ordinates are Latitude 36°-32'-39."51 North, Longitude 109°-14'-24."64 West of Greenwich. Luka, a U.S. Geological Survey Triangulation Station (Lat. 36°-30'-13."42 N, Long. 109°-11'-49."42 West) bears S 40°-37'-31" E a distance of 19,461.7 feet from the point of beginning; thence, S 72° W a distance of 5240 feet to the Northwest corner; thence, S 68° E a distance of 2250 feet to the Southwest corner; thence, N 71° E a distance of 330 feet to a corner; thence, N 30° W a distance of 530 feet to a corner; thence, N 22°-30' E a distance of 810 feet to a corner; thence, S 51°-30' E a distance of 1685 feet to a corner; thence, N 47° E a distance of 2085 feet to the Southeast corner; thence, N 19° W a distance of 926 feet to the point of beginning, containing 130 acres more or less, as surveyed by Thomas L. Tripp, Engineer in September, 1950 and revised May 7, 1951 after joint survey for division of Mesa No. 5 with Cato Sells.



DESCRIPTION

DAN PHILLIPS LEASE #8666 - PARCEL NO. 1
(Commonly called South part of Mesa 2 and Mesa No. 2½)

Beginning at the Northeast corner of Parcel No. 1 which is the Southeast corner of Mesa No. 2, north part; thence N 88° W, a distance of 1321 feet; thence, due South a distance of 2095 feet; thence, due West a distance of 666 feet; thence, due North a distance of 2200 feet; thence, due West a distance of 334 feet; thence, S 37°-15' W a distance of 3900 feet; thence, due East a distance of 5100 feet; thence, due North a distance of 2000 feet; thence, N 24°-10' W a distance of 1050' to the point of beginning, containing 200 acres more or less, as surveyed by Thomas L. Tripp, Engineer, in September, 1950.

DAN PHILLIPS LEASE #8666 - PARCEL NO. 2
(Commonly called Mesa No. 4)

Beginning at the Northeast corner of Parcel No. 2 which is marked by a pruned pine tree whose geographical co-ordinates are Latitude 36°-32'-03."94 North and Longitude 109°-14'-14."08 West of Greenwich. Luka, a U.S. Geological Survey Triangulation Station (Latitude 36°-30'-13."42 North, Longitude 109°-11'-49."42 West) bears S 46°-35'-05"E a distance of 16,259.7 feet from the point of beginning; thence, N 53° W a distance of 500 feet; thence, S 37° W a distance of 6800 feet; thence, S 53° E a distance of 1520 feet; thence, N 37° E a distance of 3439 feet; thence, N 20° E a distance of 3480 feet to the point of beginning, containing 198 acres more or less, as surveyed by Thomas L. Tripp, Engineer, in September, 1950.

DAN PHILLIPS LEASE #8666 - PARCEL NO. 3
(Commonly called Mesa No. 5)

Beginning at the Northeast corner on Parcel No. 3, a point marked by a pruned pine tree whose geographical co-ordinates are Latitude 36°-32'-39."51 North, Longitude 109°-14'-24."64 West of Greenwich. Luka, a U.S. Geological Survey Triangulation Station (Lat. 36°-30'-13."42 N, Long. 109°-11'-49."42 West) bears S 40°-37'-31" E a distance of 19,461.7 feet from the point of beginning; thence, S 72° W a distance of 5240 feet to the Northwest corner; thence, S 68° E a distance of 2250 feet to the Southwest corner; thence, N 71° E a distance of 330 feet to a corner; thence, N 30° W a distance of 530 feet to a corner; thence, N 22°-30' E a distance of 810 feet to a corner; thence, S 51°-30' E a distance of 1685 feet to a corner; thence, N 47° E a distance of 2085 feet to the Southeast corner; thence, N 19° W a distance of 926 feet to the point of beginning, containing 130 acres more or less, as surveyed by Thomas L. Tripp, Engineer in September, 1950 and revised May 7, 1951 after joint survey for division of Mesa No. 5 with Cato Sells.



DESCRIPTION

KOLEY BLACK LEASE #8667 - PARCEL NO. 1
(Commonly called Mesa No. 1)

Beginning at a point on Parcel No. 1 on the ore rim marked by a pruned pine tree whose geographical co-ordinates are Latitude $36^{\circ}-31'-31."$ 08 North, Longitude $109^{\circ}-13'-15."$ 20 West of Greenwich. Luka, a U.S. Geological Survey Triangulation Station (Latitude $36^{\circ}-30'-13."$ 42 North, Longitude $109^{\circ}-11'-49."$ 42 West) bears S $41^{\circ}-43'-43"$ E a distance of 10,521.9 feet from the point of beginning; thence, N $16^{\circ}-30'$ W a distance of 1721 feet; thence, S $72^{\circ}-45'$ W a distance of 675 feet; thence, S $5^{\circ}-30'$ W a distance of 913 feet; thence, S $24^{\circ}-20'$ E a distance of 2190 feet; thence, S $35^{\circ}-40'$ E a distance of 622 feet; thence, S $40^{\circ}-40'$ E a distance of 1400 feet; thence, S $75^{\circ}-30'$ W a distance of 2700 feet; thence, due South a distance of 700 feet; thence, N $75^{\circ}-30'$ E a distance of 3190 feet; thence, N 25° E a distance of 2950 feet; thence, N 53° E a distance of 1170 feet; thence, N 80° W a distance of 1790 feet to the point of beginning, containing 248 acres more or less as surveyed by Thomas L. Tripp, Engineer, in September 1950.

KOLEY BLACK LEASE #8667 - PARCEL NO. 2
(Commonly called Mesa No. 2 - North Part)

Beginning at the Northeast corner of Parcel No. 2 marked by a pruned pine tree whose geographical co-ordinates are Latitude $36^{\circ}-31'-56."$ 42 North, Longitude $109^{\circ}-13'-47."$ 62 West of Greenwich. Luka, a U.S. Geological Survey Triangulation Station (Latitude $36^{\circ}-30'-13."$ 42 North, Longitude $109^{\circ}-11'-49."$ 42 West) bears S $42^{\circ}-49'-12"$ E a distance of 14,198.3 feet from the point of beginning; thence, due West a distance of 300 feet; thence, S $20^{\circ}-30'$ W a distance of 1950 feet; thence, due South a distance of 1905 feet; thence, N 88° W a distance of 1321 feet; thence, N $24^{\circ}-10'$ W a distance of 1215 feet; thence, N $1^{\circ}-37'$ E a distance of 2579 feet to the point of beginning, containing 72 acres more or less as surveyed by Thomas L. Tripp, Engineer, in September 1950.

KOLEY BLACK LEASE #8667 - Parcel No. 3
(Commonly called Mesa No. 6)



Beginning at the Southwest corner of Parcel No. 3 marked by a small pine log driven in a sandstone crevice whose geographical co-ordinates are Latitude $36^{\circ}-29'-55."$ 69 North and Longitude $109^{\circ}-15'-19."$ 30 West of Greenwich; thence, S $23^{\circ}-56'-48"$ E a distance of 6572.2 feet to the Southeast corner marked by a pruned pine tree whose geographical co-ordinates are $36^{\circ}-28'-56."$ 29 North and Longitude $109^{\circ}-14'-46."$ 63 West of Greenwich. Luka a U.S. Geological Survey Triangulation Station (Latitude $36^{\circ}-30'-13."$ 42 North, Longitude $109^{\circ}-11'-49."$ 42 West) bears N $61^{\circ}-39'-33"$ E a distance of 16,439.3 feet from said Southeast corner; thence, N $36^{\circ}-15'-38"$ E a distance of 3040 feet to the Northeast corner; thence, N $33^{\circ}-45'-32"$ W a distance of 6130 feet to the Northwest corner; thence, S $34^{\circ}-29'-56"$ W a distance of 1870 feet to the point of beginning, containing 320 acres more or less as surveyed by Thomas L. Tripp, Engineer, in September 1950. The Southwest and the Southeast corners were corrected for bearing and distance which made slight corrections in the above metes and bounds description.

DESCRIPTION

KOLEY BLACK LEASE #8667 - PARCEL NO. 1
(Commonly called Mesa No. 1)

Beginning at a point on Parcel No. 1 on the ore rim marked by a pruned pine tree whose geographical co-ordinates are Latitude $36^{\circ}-31'-31."$ 08 North, Longitude $109^{\circ}-13'-15."$ 20 West of Greenwich. Luka, a U.S. Geological Survey Triangulation Station (Latitude $36^{\circ}-30'-13."$ 42 North, Longitude $109^{\circ}-11'-49."$ 42 West) bears S $41^{\circ}-43'-43"$ E a distance of 10,521.9 feet from the point of beginning; thence, N $16^{\circ}-30'$ W a distance of 1721 feet; thence, S $72^{\circ}-45'$ W a distance of 675 feet; thence, S $5^{\circ}-30'$ W a distance of 913 feet; thence, S $24^{\circ}-20'$ E a distance of 2190 feet; thence, S $35^{\circ}-40'$ E a distance of 622 feet; thence, S $40^{\circ}-40'$ E a distance of 1400 feet; thence, S $75^{\circ}-30'$ W a distance of 2700 feet; thence, due South a distance of 700 feet; thence, N $75^{\circ}-30'$ E a distance of 3190 feet; thence, N 25° E a distance of 2950 feet; thence, N 53° E a distance of 1170 feet; thence, N 80° W a distance of 1790 feet to the point of beginning, containing 248 acres more or less as surveyed by Thomas L. Tripp, Engineer, in September 1950.

KOLEY BLACK LEASE #8667 - PARCEL NO. 2
(Commonly called Mesa No. 2 - North Part)

Beginning at the Northeast corner of Parcel No. 2 marked by a pruned pine tree whose geographical co-ordinates are Latitude $36^{\circ}-31'-56."$ 42 North, Longitude $109^{\circ}-13'-47."$ 62 West of Greenwich. Luka, a U.S. Geological Survey Triangulation Station (Latitude $36^{\circ}-30'-13."$ 42 North, Longitude $109^{\circ}-11'-49."$ 42 West) bears S $42^{\circ}-49'-12"$ E a distance of 14,198.3 feet from the point of beginning; thence, due West a distance of 300 feet; thence, S $20^{\circ}-30'$ W a distance of 1950 feet; thence, due South a distance of 1905 feet; thence, N 88° W a distance of 1321 feet; thence, N $24^{\circ}-10'$ W a distance of 1215 feet; thence, N $1^{\circ}-37'$ E a distance of 2579 feet to the point of beginning, containing 72 acres more or less as surveyed by Thomas L. Tripp, Engineer, in September 1950.

KOLEY BLACK LEASE #8667 - Parcel No. 3
(Commonly called Mesa No. 6)



Beginning at the Southwest corner of Parcel No. 3 marked by a small pine log driven in a sandstone crevice whose geographical co-ordinates are Latitude $36^{\circ}-29'-55."$ 69 North and Longitude $109^{\circ}-15'-19."$ 30 West of Greenwich; thence, S $23^{\circ}-56'-48"$ E a distance of 6572.2 feet to the Southeast corner marked by a pruned pine tree whose geographical co-ordinates are $36^{\circ}-28'-56."$ 29 North and Longitude $109^{\circ}-14'-46."$ 63 West of Greenwich. Luka a U.S. Geological Survey Triangulation Station (Latitude $36^{\circ}-30'-13."$ 42 North, Longitude $109^{\circ}-11'-49."$ 42 West) bears N $61^{\circ}-39'-33"$ E a distance of 16,439.3 feet from said Southeast corner; thence, N $36^{\circ}-15'-38"$ E a distance of 3040 feet to the Northeast corner; thence, N $33^{\circ}-45'-32"$ W a distance of 6130 feet to the Northwest corner; thence, S $34^{\circ}-29'-56"$ W a distance of 1870 feet to the point of beginning, containing 320 acres more or less as surveyed by Thomas L. Tripp, Engineer, in September 1950. The Southwest and the Southeast corners were corrected for bearing and distance which made slight corrections in the above metes and bounds description.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
WINDOW ROCK, ARIZONA

PERMIT NO. 239

MINING PERMIT--NAVAJO TRIBAL LANDS

Pursuant to authority granted by the Advisory Committee of the Navajo Tribal Council by Resolution No. ACS-80-51 dated September 19, 1951, as amended by Resolution ACF-4-52 dated February 12, 1952 and ACM-5-52 dated March 11, 1952, permission is hereby granted to:

Koley Black

Census No. 73023, a Navajo Indian, of Kayenta,

Arizona, to prospect for, mine, and remove minerals
from tribal lands of the Navajo Indian Reservation, in the County of Apache
State of Arizona, and described as follows:

" See attached rider for land Description "

for the full term of two years from date of approval hereof, for the sole purpose of prospecting for and mining as follows:

Uranium and other minerals associated therewith

The Permittee to occupy so much of the surface of said land as may be reasonably necessary to carry on the work of prospecting for mining, storing, and removing such minerals, and to construct such access roads as are necessary in proper development of the property.

PROVIDED, however, that any Navajo who conducts development operations under a permit may at his option apply for a lease before the expiration of the two year period, or at the expiration of the two year period he may apply for an extension of his permit for an additional two year term, and the Advisory Committee may approve any such application if in its opinion the applicant has worked and is continuing to work in good faith in the development of the mining operation.

1. In consideration of the foregoing, the Permittee hereby agrees:

- (a) Royalties: The royalties payable to the Navajo Tribe on all permits and leases issued under the provisions hereby shall be as follows:

Percentage Royalty Schedule

<u>Mine Value Per Dry Ton</u>	<u>Royalty Percentage of Mine Value Per Dry Ton</u>
\$ 0.01 to \$ 10.01	10%
\$ 10.01 to \$ 20.01	11%
\$ 20.01 to \$ 30.01	12%
\$ 30.01 to \$ 40.01	13%
\$ 40.01 to \$ 50.01	14%
\$ 50.01 to \$ 60.01	15%
\$ 60.01 to \$ 70.01	16%
\$ 70.01 to \$ 80.01	17%
\$ 80.01 to \$ 90.01	18%
\$ 90.01 to \$ 100.01	19%
\$100.01 or more	20%

"MINE VALUE PER DRY TON", wherever used herein is hereby defined as the dollar value per dry ton of crude ores at the mine as paid for by the Atomic Energy Commission or other government authorized agency before allowance for transportation and development; however, if the government at any time hereafter does not establish and pay for said ores on a fixed or scheduled dollar value per dry ton of crude ores at the mine, or said ores contain saleable minerals, some, or all, of which are disposed of to a custom treatment plant or smelter or treatment and sale, then mine value per dry ton shall be the gross value per dry ton of said crude ore as paid for by the Atomic Energy Commission or other Government authorized agency mill or other buyer, less any allowances or reimbursements for the following specific items: (1) transportation of ores; (2) allowances for exploration for, or development of ores; and (3) treatment or beneficiation of ores; which specific items shall in such event be deducted from the gross sales price received from the metal content of said ores by the seller before said percentage royalty is calculated and said. Such payments shall be made on or before the fifteenth (15th) day of the month next following receipt by lessee of payment for said ores together with a statement of the mine value of said ores and the amount of royalty due on each lot shipped and sold.

Whenever minerals or other products are recovered which are not included in determining mine value per dry ton as defined herein there shall be paid to the Tribe for such minerals or other products, a royalty of ten (10) per cent of the gross value of such products.

BONUSES: There shall be paid, as additional royalty, 10% of any bonus paid by the United States Atomic Energy Commission for the production of ore and particularly, bonuses for the initial production of uranium ore from said lease. This provision shall not be limited to bonuses for initial production but shall apply to any and all bonuses paid for the production of ore.

PAYMENT OF ROYALTIES: Remittances for tribal royalties are to be made payable to the Treasurer of the United States and mailed to Window Rock, Arizona, for deposit to Navajo Tribal Funds.

(b) DILIGENCE, PREVENTION OF WASTE. To exercise diligence in the conduct of prospecting and mining operations; to carry on development and operations in a

Kelley Black Claims:

Parcel No. 1

Beginning at corner No. 1, a 2" iron pipe driven in the ground whose coordinates are N 96,661.07 E 201,823.51 which is also corner No. 3, parcel No. 4 David Phillips mining permit No. 21; whence take, a U.S.G.S. triangulation station bears N 72° 44' 59" E 11,899.50'; thence N 33° 39' 00" W 6196.0' to corner No. 2, a 2" iron pipe driven in the ground whose coordinates are N 101,799.40 E 198,359.49 which is also corner No. 1, parcels 2-3 & 4 Henry Phillips mining permit No. 93; thence S 34° 39' 56" W 2274.0' to corner No. 3, a 2" iron pipe driven in the ground whose coordinates are N 99,925.33 E 197,071.48 which is also corner No. 3, parcel No. 3 Kelley Black lease No. 8667 Flag Mesa; thence S 55° 31' 00" W 5765.0' to corner No. 1 and point of beginning containing 147.38 acres located in Apache County, Arizona; All bearings, distances, and coordinates are based on U.S.A.E.C. data as established by U.S. Coast and Geodetic Survey.

Parcel No. 2

Beginning at corner No. 1, a 2" iron pipe driven in the ground whose coordinates are N 96,661.07 E 201,823.51; whence take, a U.S.G.S. triangulation station bears N 72° 44' 59" E 11,899.50; thence N 55° 31' 00" W 5765.0' to corner No. 2, a 2" iron pipe driven in the ground whose coordinates are N 99,925.33 E 197,071.48 which is also corner No. 3, parcel No. 3 Kelley Black Lease No. 8667, Flag Mesa; thence S 33° 30' 00" W 6108.0' to corner No. 3, a 2" iron pipe driven in the ground whose coordinates are N 94,840.30 E 200,454.37 which is also common with corner No. 2, parcel No. 4, Kelley Black Lease No. 8667; thence N 36° 56' 00" E 2279.0' to corner No. 1 and point of beginning containing 154.73 acres located in Apache County, Arizona. All bearings, distances, and coordinates are based on U.S.A.E.C. data as established by U.S. Coast and Geodetic Survey.

laws of the State in which the land is located; to take appropriate steps for the preservation of the property and the health and safety of workmen; promptly to surrender and return the premises upon the termination of this permit to whomsoever shall be lawfully entitled thereto, in as good condition as received, excepting for the ordinary wear and tear and unavoidable accidents in their proper use; all buildings and improvements shall remain the property of the permittee and may be removed at any time prior to 60 days after the termination of the permit by forfeiture or otherwise, provided, the payments agreed upon by this permit have been made and the permit terms and regulations applicable thereto have been fully complied with, but not otherwise; not to permit any nuisance to be maintained on the premises under permittee's control, nor allow intoxicating liquors to be sold or given away for any purpose on such premises; and not to use such premises for any other purposes than those authorized in this permit.

(c) DEVELOPMENT. The land described herein shall not be held by the permittee for speculative purposes, but in good faith for mining the minerals specified; and the failure by the permittee in the diligent development and continued operation of the mine or mines, except when operations may be interrupted by strikes, the elements, or casualties not attributable to the permittee, shall be held as a want of compliance with the purposes of this permit and shall render it subject to revocation at the discretion of the Area Director; provided, that whenever the Area Director shall consider the marketing facilities inadequate or the economic conditions unsatisfactory, he may authorize the suspension of operations for such time as he may deem advisable. On mining permits operated exclusively by Navajos there shall be expended by the permittee the equivalent of \$5.00 per acre per year in actual mining development. Such development shall consist of road building, prospecting or drilling and mining operations. Where assignments or other agreements are made to non-Indians the development requirement shall be \$10.00 per acre per year. Certified reports shall be submitted to the Window Rock Area Office regarding development expenditures within ten days after the yearly anniversary date of the contracts.

(d) MONTHLY STATEMENTS. To keep an accurate account of all mining operations, showing the sales, prices, dates, purchasers, and the whole amount of minerals mined, the amount removed, and the gross receipts derived therefrom, and to furnish the Area Director sworn monthly reports thereon not later than the 25th of the succeeding month; and all sums due as royalty shall be a lien on all implements, tools, removable machinery, and all other personal chattels used in operations upon said property, and upon all of the unsold minerals obtained from the land herein, as security for payment of said sums.

(e) REGULATIONS. To abide by and conform to any and all regulations of the Secretary of the Interior now or hereafter in force relative to such permits; provided, that no regulations hereafter approved shall effect a change in rate of royalty, or the term of this permit, without written consent of the parties of this permit.

(f) ASSIGNMENT OF PERMIT. Not to assign this permit or any interest therein by an operating agreement or otherwise nor to sublet any portion of the premises without approval of the Advisory Committee and the Secretary of the Interior, or his authorized representative.

OVER-RIDING ROYALTIES: Subject to approval provided for in section (f) of this permit, assignments, operating agreements, and sub-contracts may, in addition to other considerations, provide for the retention by and payment to the assignor in an assignment, or the grantor in a sub-contract or operating agreement, or a royalty on all ore produced and sold from the premises (commonly known as an over-riding royalty) of not to exceed the following percentage based on the mine value per dry ton of ore as defined on pages one and two of this permit, to-wit:

1. On ore having a mine value per dry ton of \$30.00 or less, 2% of the mine value per dry ton.
2. On ore having a mine value per dry ton of more than \$30.00 and not more than \$60.00, 3% of the mine value per dry ton.
3. On ore having a mine value per dry ton of more than \$60.00 and not more than \$80.00, 4% of the mine value per dry ton.
4. On ore having a mine value per dry ton of more than \$80.00, 5% of the mine value per dry ton.

If two or more parties are the assignors or grantors, the royalty may be divided on such basis as said assignors or grantors may agree upon; provided, however, that the Advisory Committee of the Navajo Tribal Council may at any time after five (5) years from the date of the first sale of uranium ore produced from said property (as evidenced by records of the processing mill or other buyer) reduce the percentage of royalty retained by the assignor or grantor or entirely eliminate the same if the Advisory Committee shall determine that such royalty payments so retained are so burdensome as to make the future operation of the mines on said lease impracticable or unprofitable, it being the intent hereof that the Advisory Committee shall at such time take such action as will serve the best interest of the Navajo Tribe in assuring the continuous operation of the uranium mining industry on the Navajo Reservation.

(g) **RENTAL.** Where permits or leases are assigned or interests are otherwise acquired by non-Indians an advance annual rental of \$1.00 per acre is required and no credit shall be allowed therefor on any future production royalties.

(h) **BOND:** All non-Indian contracts shall require a surety bond to insure performance of the terms of the contract. The amount of bond to conform to Departmental Mining Regulations.

2. **INSPECTION.** The permitted premises and producing operations, improvements, machinery and fixtures thereon and connected therewith shall be open at all times for inspection by the Area Director or his authorized representative.

3. **SURRENDER AND TERMINATION.** The permittee shall have the right at any time during the term hereof to surrender and terminate this permit or any part thereof upon the payment of all royalties due the Navajo Tribe, and any other obligations that may be due the Navajo Tribe; provided, that the permittee has complied with all instructions regarding conservation and protection of the property.

4. CANCELLATION AND FORFEITURE. When, in the opinion of the Area Director, there has been a violation of any of the terms and conditions of this permit, the Area Director shall have the right at any time after 30 days notice to the permittee, specifying the terms and conditions violated, and after a hearing, if the permittee shall so request within 30 days of receipt of notice, to declare this permit null and void, and if any royalties or other obligations are due the Navajo Tribe, to take appropriate action to see that such obligations are fulfilled.

5. MINES TRIBUTARY TO URANIUM PROCESSING MILL AT SHIPROCK, NEW MEXICO. Permittee or Lessee and any assignee of the Permittee or Lessee shall tender all uranium ores produced by them from mines tributary to the mill of the Navajo Uranium Company at Shiprock, New Mexico, to the Navajo Uranium Company for purchase at such price or prices as may be established or approved by the U. S. Atomic Energy Commission, including allowances for transportation and development work, provided, that when there has been purchased for the use of said mill or stock-pile according to the provisions of said lease, a quantity of ore sufficient to supply said mill with its normal ore requirements, the Navajo Uranium Company shall notify each permittee or lessee that the provisions of this paragraph are waived until further notice. The provisions of this paragraph shall not remain in force and effect for a period of more than five (5) years from the date of the approval by the Secretary of the Interior of the lease to the Navajo Uranium Company for the millsite at Shiprock, New Mexico.

Approval Recommended

Date NOV 19 1954

Sam Ahkeah
Chairman, Navajo Tribal Council

Ralph Maloney
Vice-Chairman, Navajo Tribal Council

I hereby accept the foregoing permit and agree to abide by all its terms and conditions.

Kelly Black
Permittee

Permittee

APPROVED: DEC 27 1954
Date

W. J. DePue
Area Director

ASSIGNMENT OF MINING PERMIT

THIS AGREEMENT, Made and entered into this 5th day of October, 1954, by and between KOLEY BLACK AND FAY BLACK, husband and wife, parties of the first part and hereinafter collectively called Assignor, and KERR-MOORE OIL INDUSTRIES, INC., a Delaware corporation, party of the second part and hereinafter called Assignee, WITNESSETH:

WHEREAS, Assignor is the holder of a mining permit issued by the Navajo Tribe for the mining of uranium bearing ores in District 12 of the Navajo Reservation, being Permit No. 239 and covering the following described mining claim, to wit:

Parcel No. 1

Beginning at corner No. 1, a 2" iron pipe driven in the ground whose coordinates are N 96,661.07 E 201,823.51 which is also corner No. 3, parcel No. 4 David Phillips mining permit No. 21; whence Luka, a U.S.G.S. triangulation station bears N 72° 44' 59" E 11,859.50'; thence N 33° 59' 00" W 6196.0' to corner No. 2, a 2" iron pipe driven in the ground whose coordinates are N 101,799.40 E 198,359.49 which is also corners No. 1, parcels 2-3 & 4 Henry Phillips mining permit No. 93; thence S 34° 39' 56" W 2274.0' to corner No. 3, a 2" iron pipe driven in the ground whose coordinates are N 99,925.33 E 197,071.48 which is also corner No. 3, parcel No. 3 Koley Black lease No. 8667 Flag Mesa; thence S 55° 31' 00" W 5765.0' to corner No. 1 and point of beginning containing 147.38 acres located in Apache County, Arizona; All bearings, distances, and coordinates are based on U.S. A.E.C. data as established by U.S. Coast and Geodetic Survey.

Parcel No. 2

Beginning at corner No. 1, a 2" iron pipe driven in the ground whose coordinates are N 96,661.07 E 201,823.51; whence Luka, a U.S.G.S. triangulation station bears N 72° 44' 59" E 11,859.50; thence N 55° 31' 00" W 5765.0' to corner No. 2, a 2" iron pipe driven in the ground whose coordinates are N 99,925.33 E 197,071.48 which is also corner No. 3, parcel No. 3 Koley Black Lease No. 8667, Flag Mesa; thence S 33° 38' 00" E 6108.0' to corner No. 3, a 2" iron pipe driven in the ground whose coordinates are N 94,840.30 E 200,454.37 which is also common with corner No. 2, parcel No. 4, Koley Black Lease No. 8667; thence N 36° 56' 00" E 2279.0' to corner No. 1 and point of beginning containing 154.73 acres located in Apache County, Arizona. All bearings, distances, and coordinates are based on U.S. A.E.C. data as established by U.S. Coast and Geodetic Survey.

WHEREAS, the Assignor desires to assign said mining permit to Assignee,

NOW, THEREFORE,

For and in consideration of the mutual covenants and agreements herein contained on the part of the parties hereto to be kept and performed, it is hereby agreed as follows:

1. The Assignor has and by these presents does grant, bargain, sell, assign, transfer and set over unto Assignee, the Assignor's said mining permit with full right and authority to enter upon and take possession of said premises and remove and mine therefrom uranium ore as fully and with like effect as the Assignor might do.

2. The Assignee shall commence mining and selling of ore from said property within six (6) months from the date of approval of this assignment. This assignment shall be void if mining and selling of ore is not commenced within six (6) months after the official approval of this assignment. The mining operations shall be conducted by the Assignee in a workmanlike manner and in accordance with all applicable laws and regulations now or hereafter pertaining thereto. In the event the mine or mines upon said premises shall be abandoned the same shall be left timbered.

3. No timber shall be cut or used for mining operations without complying with the regulations governing the cutting of timber and the Assignee agrees to pay for any such timber so cut at the price required by existing rules and regulations.

~~4. This agreement shall be void if the Assignee~~

K.B.

F.B.

~~intentionally violates directly or indirectly the 10%
acre limitation on acreage as provided in the Navajo Tribal
General Advisory Committee Regulation ACS-50-51.~~

J.S.
K.B.

5. The Assignee shall comply strictly with the terms of the permit held by the Assignor and shall carry out and perform all the terms and conditions therein contained. The Assignee agrees that it will furnish any required bonds to perform the required development work and pay all rentals required by the terms of this Agreement or by the terms of any existing rules and regulations.

A.B.

6. The Assignee agrees to pay any and all royalties or bonuses due to the Navajo Tribe on ores produced from said lands under the terms of the permit held by the permittee or under the terms of any valid and applicable rules and regulations now or hereafter enacted by any lawful authority and particularly to pay the royalty based on mine value per dry ton as defined and provided for in the Navajo Tribal Advisory Committee Resolution ACS-50-51 and on minerals not having a mine value per dry ton shall pay to the Tribe 10% of the gross value of said products as specified in Navajo Tribal Advisory Committee Resolution ACM-5-52.

7. The Assignee agrees to indemnify and hold harmless the Assignor from any liability in connection with said mining operations.

8. The Assignee agrees to comply with all lawful tribal or federal regulations whatever pertaining to its operations on said premises.

9. The Assignee agrees to employ Navajo labor to the largest practical extent in the development, operation and

maintenance of said mine and pay wages therefor at the prevailing rate.

10. The Assignee agrees to pay to the Assignor an overriding royalty on all ore produced and sold from said premises on the following basis:

- (a) On ore having a mine value per dry ton of \$30.00 or less, 2% of the mine value per dry ton.
- (b) On ore having a mine value per dry ton of more than \$30.00 and not more than \$60.00, 3% of the mine value per dry ton.
- (c) On ore having a mine value per dry ton of more than \$60.00 and not more than \$80.00, 4% of the mine value per dry ton.
- (d) On ore having a mine value per dry ton of more than \$80.00, 5% of the mine value per dry ton.
- (e) The regulations (ACS-80-51) as prescribed regarding overriding royalties, amendments and resolutions of the Navajo Tribal Advisory Committee shall govern the rights of both parties in this regard.
- (f) The Assignor shall receive 5% of the gross value of all minerals or other products recovered from said lands which are not included in determining the mine value per dry ton.
- (g) The Assignor shall receive and be paid 5% ~~of the overriding~~ royalty on any production bonuses paid by the United States Atomic Energy Commission.

11. All payments made under the terms hereof shall be made direct to the Assignor at the residence of Assignor on or before the 20th day of each month for all ores sold during the preceding calendar month together with a full statement showing the amount of ore so sold and the values thereof.

12. The royalties payable to the Navajo Tribe as set out in the applicable rules and regulations and in the permit of the Assignor shall be made direct to the Navajo Tribe by

the mill or market purchasing ores from said premises with a full statement of all deliveries made to it from the above described premises and the Assignee assumes full responsibility to see that such payments are made and such statements furnished.

13. The Assignee shall pay all costs of developing, producing and marketing the mineral products in said lands and shall have full right and authority to carry on and conduct said operations in such manner as it may see fit so long as they are in accordance with the good mining practices and not in violation of the terms of this agreement or any laws, rules or regulations now or hereafter passed or promulgated by any competent authority.

14. The Assignee shall keep full, complete, accurate and permanent records of all of its operations on said premises and shall make the same available at all reasonable times to the Assignor and to the authorized representatives of the Navajo people and the Department of the Interior and the Assignee shall make and keep all reports and records required by the Atomic Energy Commission.

15. The Assignee shall maintain the premises free and clear of all liens including those for labor and shall perform and do any and all development work necessary to maintain said permit in good standing.

16. This Assignment shall remain in full force and effect for a period of one (1) year and as long thereafter as the uranium or other ores can be produced from said lands on an economical basis provided the Assignee has fully kept and performed all of the terms and conditions of this Assignment.

17. In event of a renewal of the mining permit of the Assignor or the conversion of the same to a mining lease the Assignee shall have the right at its option to obtain from the Assignor or their heirs or assigns a new agreement under the same terms and conditions as herein contained for the term of such permit renewal or lease. It is distinctly understood that in event the option contained in this paragraph is exercised the provisions contained in this agreement for the payment of overriding royalty, percentage of bonuses, etc., shall apply to the new agreement. The right to exercise the option contained in this paragraph is subject to any required approval by the Secretary of the Interior, Advisory Committee or other person.

18. In addition to all of the other payments required to be made by the Assignee it shall make an annual land rental payment of

(\$302) Three Hundred Two and No/100 DOLLARS

yearly in advance.

19. The Assignee hereby covenants and agrees that it will not in any manner whatsoever by sublease, reassignment, working agreement or otherwise transfer or otherwise hypothecate said mining permit or the assignment thereof.

20. These presents and the benefits and liabilities of the respective parties hereto shall extend to and be binding upon the parties hereto, their heirs, devisees, legatees, administrators, executors, trustees, successors or assigns.

IN WITNESS WHEREOF, the parties to this Assignment

have hereunto set their hands and seals the day and year
herein first above written.

Fay Black Kaley Black

Witnessed By

Ray M. Doyle
Patsy A. Jones

ASSIGNOR

LEHR-MOORE OIL INDUSTRIES, INC.,
a Delaware corporation

ATTEST:

M. K. ...
Secretary

By C. P. Seal

VICE-PRES:

ASSIGNEE

ADVISORY COMMITTEE
RECOMMENDED FOR APPROVAL: NOV 18 1954

For Adolph Maloney
Chairman, Navajo Tribal Council

GALLUP AREA OFFICE
GALLUP, NEW MEXICO
FEB 23 1955
APPROVED: _____

R. D. ...
AREA DIRECTOR

STATE OF New Mexico }
County of San Juan } ss.

On this 19th day of October, 1954, before me personally appeared KOLBY BLACK and FAY BLACK, husband and wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Witness my hand and seal the day and year last above written.

Bob C. Daugherty
Notary Public

My commission expires:

June 11, 1958

STATE OF Ore }
County of Ore } ss.

On this 8 day of Oct, 1954, before me personally appeared A.T.F. SEALE to me personally known, who being by me duly sworn, did say that he is Vice President of KERR-MCGEE OIL INDUSTRIES, INC., a corporation organized under the laws of the State of Delaware, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation, by authority of its board of directors, and said A.T.F. Seale acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal on this the day and year first above written.

Thelma Wilcox
Notary Public

My commission expires:

Oct 9, 1956

MD:DRH

November 4, 1954

Navajo Uranium Division of
Kerr-McGee Oil Industries, Inc.
P. O. Box 608
Shiprock, New Mexico

APPLICATION FOR CERTIFICATION - PERMIT NO. 93 (#948)

Gentlemen:

Permit No. 93, Little Colorado Mining
District, Apache County, Arizona

August 16, 1955

FD:DM

Kerr-McGee Oil Industries, Inc.
Navajo Uranium Division
P. O. Box 608
Shiprock, New Mexico

SUBJECT: APPLICATION FOR BONUS PAYMENT - D.U.P. C6-C-424

Gentlemen:

Reference is made to your application for bonus payment dated July 28, 1955, and to our letter dated August 3, 1955.

In our letter of August 3 we pointed out that several shipments were made from the Flag Mesa No. 1 for which no application for bonus payment has been received. These shipments were set out by liquidation number. The Domestic Uranium Program Circular 6 states in effect that bonus payments may be made on the initial 10,000 pounds of U308 produced from a certified property less any production occurring from April 9, 1948, through February 28, 1951. Since these shipments were a portion of the initial 10,000 pounds as listed above, it is necessary that your application for bonus payment be made on these shipments.

Your application in the amount of \$20,830.70 is being returned to you, so that a revised application may be made.

For your convenience you will find enclosed two blank sets of forms to be used in the resubmission of this application.

Very truly yours,

Robert W. Scott, Chief
Accounting Branch
Finance Division

Enclosures:

Form AEC-300 (2 sets)

OFFICE	Application dtd 7/28/55	Accounting	Accounting
SURNAME		Westbrook: pke	Scott
DATE		8/16/55	

August 3, 1955

Symbol: FD:DH

Kerr-McGee Oil Industries, Inc.
Navajo Uranium Division
P. O. Box 608
Shiprock, New Mexico

Subject: Application for Bonus Payment - D.U.P. C6-C-424

Gentlemen:

This office is in receipt of your application for bonus payment in the amount of \$20,830.70 covering shipments of ore from the Parcel 3, Koley Black Lease.

According to our records, shipments covered by the following liquidation numbers were made from the Flag Mesa No. 1:

AS&R - 4705	5126	5805	6355
4847	5548	5956	6359
4979	5800	6149	6518
			6526

Kerr-McGee - 25 and 121

Bonus payments have not been made on the shipments listed above. According to Domestic Uranium Program Circular 6, payments may be made on the initial 10,000 pounds of U308 produced from a certified property, less any production occurring during the period April 9, 1948 through February 28, 1951.

Shipments covered by Kerr-McGee Liquidation No. 67 are reported as having been produced from the Black No. 1. The Black No. 1, as such, is not included under D.U.P. C6-C-424. However, if this ore was actually produced from a portion of the certified property, it will be necessary that you prepare a signed statement stating that shipments covered by Kerr-McGee Liquidation No. 67 should have been reported as being produced from the (insert proper name and number).

Please review your records and if you find that omissions have been made, submit a revised application for bonus payment covering the above-mentioned shipments. Your application is being returned to you.

Very truly yours,

OFFICE	Accounting	Robert W. Scott, Chief	Accounting
Enclosure:	As above	Accounting Branch	Scott
SURNAME	W. H. Westbrook	Finance Division	
DATE	8-3-55		

December 7, 1954

Symbol: FD:DH

Navajo Uranium Division of
Kerr-McGee Oil Industries, Inc.
P. O. Box 608
Shiprock, New Mexico

Subject: Application for Bonus Payment - D.U.P. C6-C-424

Gentlemen:

This office is in receipt of your application for bonus payment dated December 1, 1954 in the amount of \$13,919.34 covering shipments of ore from the Parcel 3, Kiley Black Lease.

This application is returned to you for the reason that the total amount of bonus claimed should be listed on the same page which has the signature and the certifying section. In order to accomplish this it may be handled in one of two ways, namely:

- (1) Bring the total amount of bonus payments claimed over to Page 1 stating that this is the combined total of the two pages.
- (2) Total the amount of bonus payments claimed on Page 1 entering that amount in the total section and make a new application for the shipments listed on your Page 2, also totaling its individual amounts.

The second method would require that the signature be on both applications.

Should you have further questions concerning these adjustments, please feel free to contact this office.

Very truly yours,

Enclosure:

Robert W. Scott, Chief

OFFICE ▶	Accounting	Accounting	Accounting Branch		
SURNAME ▶	Hutto: <i>Hutto</i>	Scott	Finance Division		
DATE ▶	12-7-54	<i>Scott</i>			

UNITED STATES
ATOMIC ENERGY COMMISSIO

80

MD:DRH

November 12, 1954

Mr. M. F. Bolton
Assistant General Superintendent
Kerr-McGee Oil Industries, Inc.
Navajo Uranium Division
P. O. Box 608
Shiprock, New Mexico

Re: CERTIFICATION NUMBER D.U.P.C6-C-424

Dear Mr. Bolton:

This is in reply to your letter of November 8, 1954, inquiring as to the status of your request for division of the Koley Black lease into two separate certifications. Investigation of your request has been completed and a report containing the recommendations of the examining engineer has been prepared. The Mining Committee has not acted on the recommendations; however, it is expected that you will receive a reply to your request in the near future.

Very truly yours,

R. H. Toole, Chief
Leasing and Development Branch
Mining Division

cc: P. W. Simmons ✓



*Betty
anvil*
"RETURN TO MINING DIVISION"

MD:DRH

November 18, 1954

Navajo Uranium Division
Kerr-McGee Oil Industries, Inc.
Box 608
Shiprock, New Mexico

Re: CERTIFICATION NUMBER D.U.P.C6-C-424 - KOLEY BLACK LEASE, APACHE COUNTY,
ARIZONA

Gentlemen:

Reference is made to our letter of April 19, 1954, copy enclosed, which described the land included in the unit eligible to receive bonus under certification number D.U.P.C6-C-424. You will note that Koley Black Lease No. 866, Parcel No. 3, is included in its entirety.

A request by you to reconsider the certification on the basis of two operations has been reviewed by this office. It is our conclusion that a division of the original eligible unit is not warranted and your request is denied.

Very truly yours,

John J. Curzon
Deputy Director
Mining Division

Enclosure:
Ltr. 4/19/54

cc: Brown-Taylor

OFFICE ▶	MD <i>Hill:sp</i>	MD <i>Toole</i>	MD <i>Curzon</i>			
SURNAME ▶	Hill:sp	Toole	Curzon			
DATE ▶	11/18/54	11/18/54	11/18/54			

MD:DRH

November 12, 1954

Mr. M. F. Bolton
Assistant General Superintendent
Kerr-McGee Oil Industries, Inc.
Navajo Uranium Division
P. O. Box 608
Shiprock, New Mexico

"RETURN TO MINING DIVISION"

Re: CERTIFICATION NUMBER D.U.P.66-C-424

Dear Mr. Bolton:

This is in reply to your letter of November 8, 1954, inquiring as to the status of your request for division of the Koley Black lease into two separate certifications. Investigation of your request has been completed and a report containing the recommendations of the examining engineer has been prepared. The Mining Committee has not acted on the recommendations; however, it is expected that you will receive a reply to your request in the near future.

Very truly yours,

R. H. Toole, Chief
Leasing and Development Branch
Mining Division

cc: P. W. Simmons

OFFICE ▶	MD <i>Hill</i>	MD <i>Toole</i>				
SURNAME ▶	Hill:sp	Toole				
DATE ▶	11/12/54	11/12/54				

KERR-McGEE OIL INDUSTRIES, INC.

NAVAJO URANIUM DIVISION

P. O. BOX 608. SHIPROCK, NEW MEXICO

min

November 8, 1954

U. S. Atomic Energy Commission
Grand Junction Operations Office
Grand Junction, Colorado

Attention: Mr. R. H. Toole, Chief
Leasing & Development Branch

Dear Mr. Toole:

Sometime in excess of six months ago this company made application for certification for one parcel under Koley Black lease, No. 8667, Lukachukai Area, Apache County, Arizona. At this date nothing has been heard regarding the certification.

The original Koley Black lease contained 320 acres and a special request was made to split this large lease into two parcels for the purpose of certification. On several visits to Grand Junction I have been informed that the request to split the lease had been acted upon favorably and that the certification would be issued in the near future.

Will you please advise on this matter at your earliest possible convenience.

Yours very truly,



M. F. Bolton,
Asst. Gen. Supt.

MFB/blr

April 19, 1954

MD:TT

Navajo Uranium Division
Kerr-McGee Oil Industries, Inc.
P. O. Box 609
Cortez, Colorado

"RETURN TO MINING DIVISION"

Re: CERTIFICATION OF KOLEY BLACK PERMIT, PARCEL NO. 3, SHIPROCK MINING DISTRICT,
APACHE COUNTY, ARIZONA

Gentlemen:

Your application for certification of your mining property has been examined by
our engineers.

The property as certified consists of the following lands as listed in our
engineer's report, namely:

Parcel 3 of Koley Black Mining Permit

Beginning at the SW corner of Parcel No. 3, whose geographical coordinates
at latitude $36^{\circ} 29' 55.69''$ N, and Longitude $109^{\circ} 15' 19.30''$ W of Greenwich;
thence S $23^{\circ} 56' 48''$ E, a distance of 6572.2 feet to the SE corner; thence
N $36^{\circ} 15' 38''$ E, a distance of 3040 feet to the NE corner; thence N 33°
 $45' 32''$ W, a distance of 6130 feet to the NW corner; thence S $34^{\circ} 29' 56''$
W, a distance of 1870 feet to the point of beginning, containing 320 acres,
more or less.

The above lands lie in the Navajo Indian Reservation on Flag Mesa, Shiprock
Mining District, Apache County, Arizona.

The certification number you will use in making application for bonus payment is
D.U.P.C6-U-424. Several copies of an Application for Bonus Payment form are
enclosed for listing each month's production since March 1, 1951.

As there have been no pounds of U_3O_8 produced between April 9, 1948, and
February 28, 1951, inclusive, 10,000 pounds of U_3O_8 are eligible for bonus pay-
ments when contained in ores mined from this property and delivered to a
qualified mill or Commission ore buying station between March 1, 1951, and
February 28, 1957, inclusive.

cc: D. B. Hutto
cc: E. B. Butts, Grants, N.M.
cc: Allan G. Harper, Area Dir.
Bureau of Indian Affairs
Window Rock, Arizona

Very truly yours,

OFFICE	MD	MD
SURNAME	Toren/lm	MacPherson
DATE	4/19/54	4/19/54

C. A. Rasor, Chief, Development Branch
Mining Division, Grand Junction Operations Office
John X. Combo, Attorney
Grand Junction Operations Office
CERTIFICATION OF THE NORTHWEST SECTION (KOLEY BLACK LEASE, PARCEL
NO. 3)

April 13, 1954

SYMBOL: OC:JXC

On the basis of the engineers' reports, there appears to be no
legal objection to certification of this property in its entirety.

Enclosures:
Engineers' reports

cc: D. F. Pelan

OFFICE ▶	OC <i>Combo</i>				
SURNAME ▶	COMBO:rel				
DATE ▶	4/13/54				

NAVAJO URANIUM DIVISION

of

KERR-McGEE OIL INDUSTRIES, INC.

P. O. Box 608

Cortez, Colorado

January 13, 1954

U. S. Atomic Energy Commission
Colorado Raw Materials Office
P. O. Box 270
Grand Junction, Colorado

min

Gentlemen:

Enclosed is an Application for Certification of Mining Property together with related maps. The property for which certification is applied is the Koley Black Lease No. 8667, Parcel No. 3, located on the Navajo Indian Reservation, Lukachukai Mountains, Apache County, Arizona, approximately eight miles from Cove Day School. Your office has previously been furnished copies of the leases and assignments by the U.S. Department of Interior, Window Rock Office.

You will note from the attached map, Exhibit No. 1, that Parcel No. 3 of the Koley Black Lease No. 8667 contains 320 acres. You will also note from the lease description on the application for certification and from the attached plat, Exhibit No. 2, that the application requests certification of 150 acres of the original 320 acre lease. Mining has not been commenced on the south 170 acres of the lease since this portion will entail a separate mining, road building, and drilling program.

Quite some time ago Mr. MacPherson and Dr. Rasor of your office informed me that on large leases the A.E.C. would give consideration to applications where a lease was divided if proper supporting details were submitted with the application to substantiate such a request. Bonus applications have been approved on four of our leases on the Navajo Indian Reservation. These leases range in size from 72 acres to 200 acres.

The Koley Black lease, Parcel No. 3, is located on the south side of the Lukachukai Mountains. Many of your personnel will verify that the south side of the mountain is extremely rugged, having sheer vertical cliffs ranging from 500 to 1000 feet in height. Near the middle of this property is a triangulation point called "Center", located at an elevation of approximately 8,800 feet. On each side of Center is a saddle in the mountain. To reach the north portion of the lease you must use the north saddle and to reach the south portion you must use the south saddle.

U.S.A.E.C.

Re: #8667, Parcel No. 3

The original road built by this company from the north saddle to Flag Mesa required approximately two miles of construction of which a large portion required blasting. This company and its predecessor also constructed the six miles of road extending from Mesa No. 1 camp around the top of Mount Luka to the north and south saddles.

At the present time we have a camp and mining operation on Flag Mesa at the extreme end of the northwest portion of the lease. This company is considering a drilling program for the Koley Black Lease, Parcel No. 3, to commence in the spring of this year. Initial exploration by this company and by the A.E.C. indicates that the south portion of the lease may be extremely marginal from a standpoint of economics in mining. Approval by the A.E.C. for dividing the lease for certification purposes would certainly be a large factor in favor of drilling and building the necessary roads to properly explore and develop the south side of the property.

Your consideration of this matter will be greatly appreciated. Should you desire additional information, please advise.

Respectfully yours,

NAVAJO URANIUM DIVISION OF
KERR-McGEE OIL INDUSTRIES, INC.



M. F. Bolton,
Resident Manager

MFB:jo

U. S. ATOMIC ENERGY COMMISSION

APPLICATION FOR CERTIFICATION OF MINING PROPERTY

In accordance with Atomic Energy Commission Domestic Uranium Program Circular 6
(Assistance in filling out this form will be available at the U. S. Atomic
Energy Commission's office in Grand Junction, Colo.)

Name of applicant Navajo Uranium Division of
Kerr-McGee Oil Industries, Inc. AEC License No. P-1152

Address P.O. Box 608, Cortez, Colorado

I hereby request that the following described mining property be certified as eligible for bonus payments under Domestic Uranium Circular 6.

1. Name of mining property Parcel 3, Koley Black Lease I 149-IND. 8667, Flag Mesa
2. Name of owner Kerr-McGee Oil Industries, Inc.
(Indicate whether Corporation, Partnership, Individual)
3. Interest of applicant Lessee
(Owner or Lessee—if other, specify)
4. Description of mining property: (If more space is required use blank space below.)
- a. Mining district Lukachukai Mountains, Apache County, Arizona
- b. Size of property 150 Acres
- c. Number and names of claims included in this property Indian Lease 8667, Flag Mesa
- d. Property is of public record as follows:

[illegible]

- e. Title to property is patented or unpatented? (State which.) Neither (Leased From Dept of Interior)
f. Description of location of property for verification by mining branch of Colorado Raw Materials Office,
Atomic Energy Commission.
Lease No. 8667, 5 1/2 Miles West of Shiprock, New Mexico near Cove Day School.

(See Complete description below)

Applicant's name and AEC license number, name of mine property (Item 1), and data listed under Item 5 are in accordance with CRMO Finance Branch records, except:

1. There is a record of License No. P-1152 issued to Navajo Uranium Division of Kerr-McGee Oil Ind., Inc. - for U. S. Dept. of Interior Ind. #8666 and 8667.
2. There is no record of shipments having been made.

Robert W. Scott, Auditor

APPLICATION FOR CERTIFICATION OF MINING PROPERTY

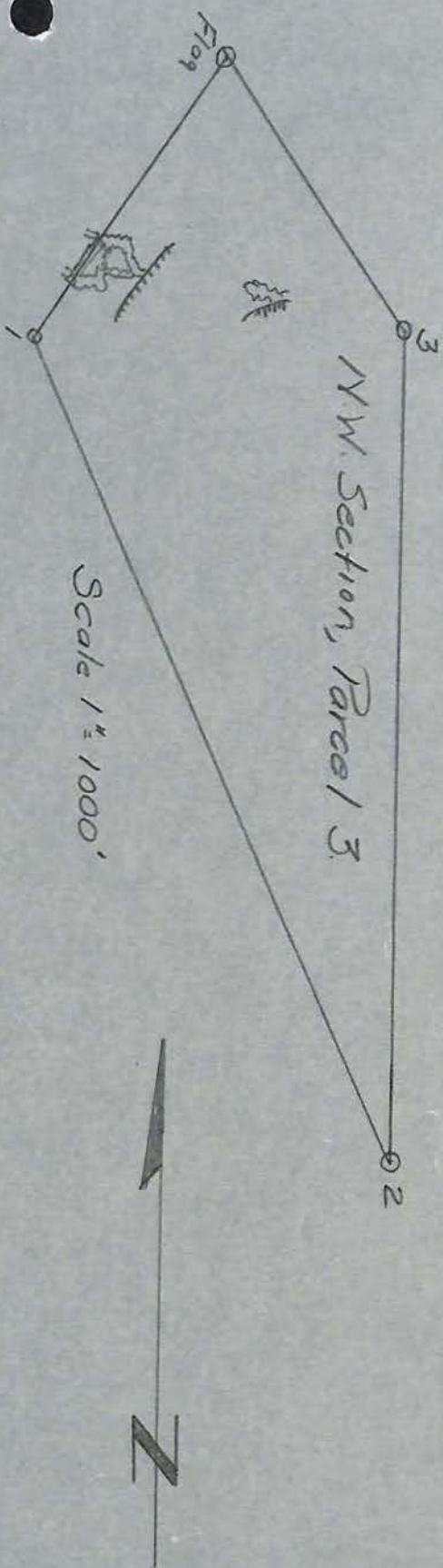
(Assistance in filling out this form will be available at the U. S. Atomic Energy Commission's office in Grand Junction, Colo.)

16-67545-1

applicant's name and AEC license number, name of mining property (Item 1), and data listed under Item 5 are in accordance with CRMO Finance Branch records, except:

1. There is a record of License No. P-1152 issued to Navajo Uranium Division of Kerr-McGee Oil Ind., Inc. - for U. S. Dept. of Interior Ind. #8666 and 8667.
2. There is no record of shipments having been made.

Robert W. Scott
Robert W. Scott, Auditor



Koley Black lease
Kukachatai District
Apache County, Arizona

EBB

Edgar B. Butts, Mining Engineer
Grants, New Mexico

February 10, 1954

P. W. Simmons, Acting Chief
Development Branch, Mining Division, GJ
APPLICATIONS FOR CERTIFICATION

Enclosed are the following Applications for Certification
for your examination:

Bibo Mining Company - N $\frac{1}{2}$ Sec. 30, T. 11 N., R. 4 W.

Hanosh Mines, Inc. - N $\frac{1}{2}$ Sec. 29, T. 11 N., R. 4 W.

Navajo Uranium Division of
Kerr-McGee Oil Industries, Inc. - Parcel 3, Koley Black Lease

Pete Atcitty - Canyon No. 1

Enclosures:

As listed above

February 9, 1954

MD:TT

Navajo Uranium Division of
Kerr-McGee Oil Industries, Inc.
P. O. Box 608
Cortez, Colorado

APPLICATION FOR CERTIFICATION - PARCEL 3

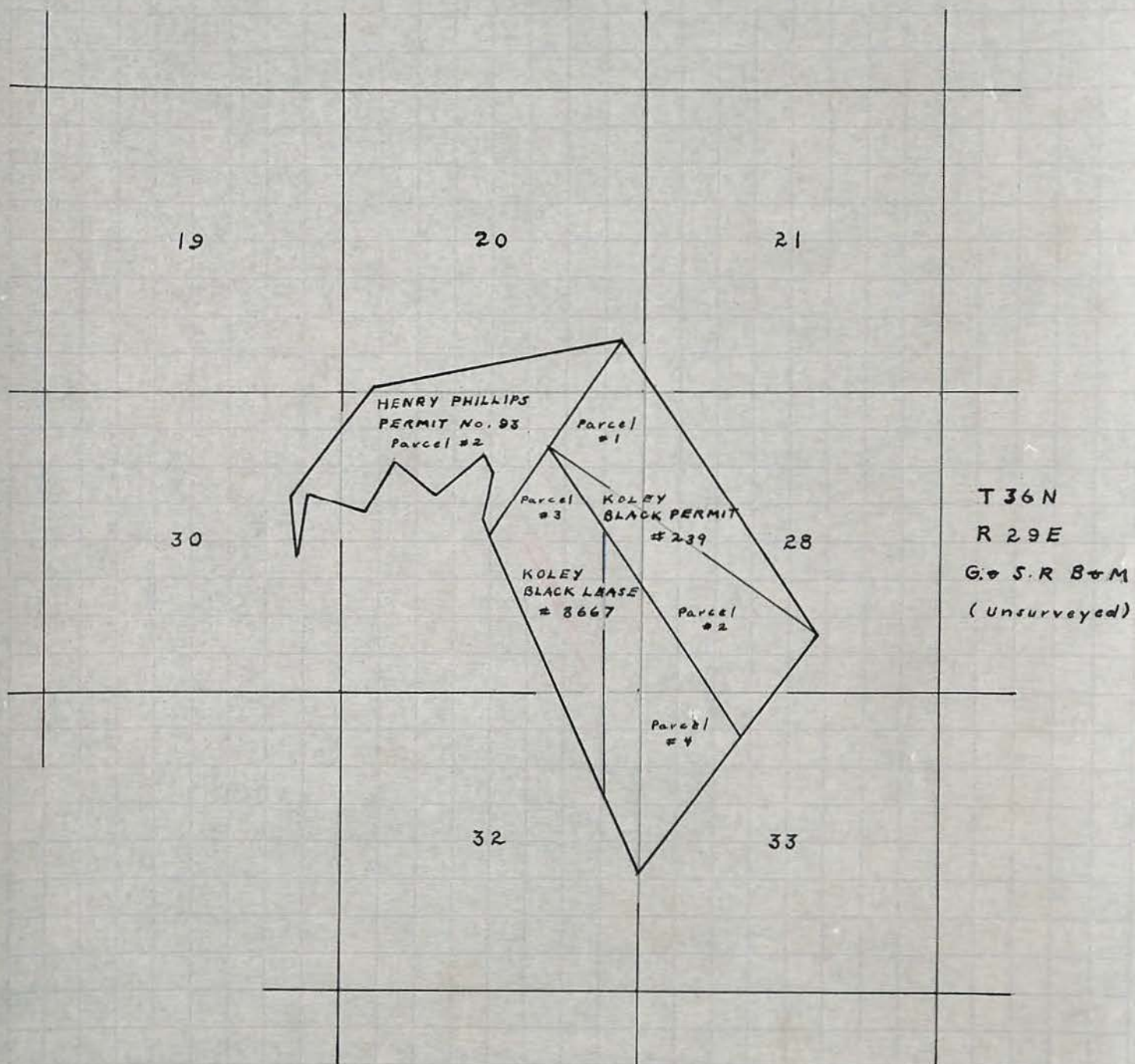
Gentlemen:

Parcel 3, Koley Black Lease I 149-IND. 8667,
Flag Mesa, Lukachukai Mountains,
Apache County, Arizona

BY J.F.B. DATE 9/13/65
CHKD. BY DATE

SUBJECT Amendment of Certification
of Parcel 3, Koley Black Lease #
8667, Apache County, Arizona

SHEET NO. OF
JOB NO.



☐ CERTIFIED (C-424)

☐ INCLUSION RECOMMENDED